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INDUSTRIAL SITUATION INDICATES THAT AN ADJUSTMENT OF WAR PROFITS IS NOW TAKING PLACE

Many Factors Working to Reduce Early War Earnings.

MORE BUSINESS, LESS MARGIN

Competition for Business, Rising Cost of Raw Material and Higher Wages Are Factors in Second Stage of War Activity.

The present time is one in which careful consideration must be given to the whole industrial situation from the standpoint of national prosperity and the interests of the investor. To those who expect to find in the stock market a reflection of the conditions governing industrial activities there must be significance in the fact that at a time when manufacturing companies are bringing out reports which are far beyond anything in their previous history, the value of securities is showing a reactionary tendency, and there is an apathy which is not altogether explained in the present uncertainty of the international situation.

An analysis of the situation seems to indicate that the first stage of the industrial war boom has passed. There has been no cessation of activity on munitions and other products entering into either foreign or domestic trade, nor is it likely that there will be for some time to come. On the other hand, however, the abnormal profits which were the result of unforeseen conditions have been subject to adjustment. The first war orders were placed at artificially high prices amongst a few manufacturers, who were either fitted to handle them or were possessed of more than usually aggressive business spirit. These concerns were able to take advantage of their position as regards raw material, and the ratio of profits was in many cases enormous, as they based profits upon the market values when these were far above what raw materials had cost.

To-day conditions are different. The first stage has passed; the volume of business is much greater than in the earlier stages of the war, but there have been adjustments. Raw materials have found a relative value to the worth of the product. Wages have increased. At the same time, competition for business has resulted in reduction of the margin of profit. Despite the larger scale of activity, the high ratio of net profits cannot be expected to continue. The process of adjustment has led to a more general distribution of the money invested, and the primary profits have been reduced.

As previously stated, this is not an indication that general prosperity has been affected. It is rather an adjustment of fictitious values established by abnormal conditions. The heavy volume of trade should continue, and there should be large profits, but these will be on a more healthy trading basis than was the case a year or so ago. So far as the country in general is concerned the change should prove rather beneficial than otherwise, because it indicates a more even distribution of the money which is coming into the country for munitions supplies. Higher prices are being paid for raw materials and for labor, which have the effect of spreading the first profits over a large area. Under the conditions, companies producing their own raw materials stand to reap the greater benefits.

Looking to Future.

At present the immediate industrial outlook depends to a large extent upon what the course of the United States may be, because it has been shown that this country is affected by developments on the other side of the border. Altogether there would appear to be little need for apprehension in the event of a further rupture with Germany. Industries are now largely on a war basis. In the event of an outbreak the States would not only be bound to endeavor to increase her efforts in the interests of the Allies, but she would undoubtedly have to arrange for large supplies for herself.

NEWS OF SECURITIES.

THE FINANCIAL POST'S review of the Canadian Security Markets will be found on pages 2, 3, 4 and 5, under the following heads: STEEL STOCKS, PULP AND PAPER, TEXTILES, MILLING, MINING, TRANSPORTATION, ELECTRIC RAILWAYS, LIGHT AND POWER. Other Stocks, including general industrial and other securities not embraced in the foregoing groups and arranged in alphabetical order.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Mackay com.	89¼	87½
Mackay pref.	67½	67
Dominion Steel	60	59⅝
Monarch Knitting com.	40	40
Canada Cement	59⅛	59⅛
Maple Leaf pref	95	95
Canada Steamships	33¼	33
C.P.R.	153½	152
Consumers' Gas	164½	164½
Brazilian	43½	43½
Spanish River	15¾	15¾
Standard Bank	211½	211½
Bank of Toronto	190¼	190¼
Imperial Bank	196	196
Twin City	94	94
Pacific Burt pref.	81	81
Toronto General Trusts	214	214

DOMINION CUTLERY CO. HAS LEASED A PLANT

Prospectus Outlines Plans of Concern to Make New Lines in Canada.

The Dominion Cutlery Co., Ltd., head office, Montreal, Que., has leased a plant at Westport, Ont., to manufacture cutlery, coffin trimmings and some lines of hardware. The property at Westport, which is located on the C.N.R. a short distance from Ottawa, consists of two buildings, three stories each, containing 2,200 square feet of floor space, a machine shop, plating plant and water power equipment. Machinery is now being installed, and officers of the company state that unless something unforeseen develops certain cutlery lines will be turned out in the near future. The authorized capital of the company is $1,000,000, the value of shares $100 each.

According to the company's prospectus the business for the first year's operation is estimated as follows:—

Jack Knives	$ 25,000
Scissors	20,000
Coffin Trimmings	30,000
Knives, Forks and Spoons	75,000
Drop Forgings	50,000
Total	$200,000

The prospectus points out that prior to the war, Canadian cutlery imports amounted to $1,400,000, and that there should now be a very favorable market for the Canadian product. This company will specialize in engineers' and machinists' wrenches, tool post rings and tool post wedges, golf irons, commutator segments, automobile and gas engine forgings, etc. This company will also made a specialty of coffin trimmings on which there is a good manufacturing profit.

SMART-WOODS.

Substantial Increase Shown in Net Profits for the Year.

The annual statement of the Smart-Woods Company for its fiscal year ending December 31, 1916 showed net profits amounting to $516,190, compared with $397,659 in 1915 and $108,628 in 1914. After allowing $122,055 for interest, war tax, donations to patriotic fund, depreciation and bad debts, there was a balance left of $394,134. Although $53,126 was set aside in 1915 for back dividends nothing was paid, but in 1916 full dividends on the preferred stock amounting to $108,255 were paid, as well as all the deferred dividends which called for another $135,671. The balance at credit of profit and loss amounts to $689,649 $539,400 in the previous year.

CANNERS SELL PLANT.

Condensed Milk Factory at Aylmer Desposed of.

The Carnation Milk Products Co., of Seattle, Wash., the manufacturers of Carnation Condensed Milk, has entered the Canadian field, and will manufacture the product in this country.

E. A. Stuart, the president of the company, recently purchased the two factories of the Aylmer Condensed Milk Co., at Aylmer, Ontario. The new company at once began operations. These factories are of considerable size, having a capacity of 1,000 cases a day.

Until this sale came into force these factories were operated by the Dominion Canners. R. L. Innis, of that company, when spoken to regarding the matter, confirmed the information regarding the sale. He stated that the deal had constituted an out and out sale, the Dominion Canners having given up entirely any association with that business. The reason for taking this action, he stated, was that the canning of milk had no particular connection with any other form of canning, consequently it was felt that it was to the interest of the company to dispose of this Aylmer plant.

The Carnation Milk Products Co., as has been stated, is already operating the new plant. The company is not ready to make a statement as to what brand the product will be marketed under, but it is understood from other sources that the products of these factories, like the American product, will be marketed under the Carnation brand.

In connection with the dividend of the Imperial Tobacco Company of Canada, the directors recommended a final payment of 1 per cent. for the year to September 30, and an interim dividend of 1½ per cent. for the current year on the ordinary shares.

OTTAWA MAKES STATEMENT RE WOOL INDUSTRY

Article by John Turnbull Arouses Department of Agriculture.

SOME IMPROVMENT RECENTLY

Explanation of Steps Which Have Been Taken to Better Conditions of Marketing in Canada—Associations Formed.

The article by John Turnbull, president of the Paton Manufacturing Company, dealing with the problem of wool production—which appeared in the FINANCIAL POST two weeks ago—has had the effect of rousing certain officials of the Department of Agriculture at Ottawa. It is admitted that Mr. Turnbull is perfectly correct in stating that the sheep and wool industry has been sadly neglected in Canada, but it is contended that there has been some improvement in the situation recently and that at present the wool industry is growing. This is encouraging information, but from the results obtained, there would appear to be room for an aggressive practical policy to develop production. Following is a statement in connection with the matter which has been issued by the Department of Agriculture:—

For a number of years there was a steady decline in the number of sheep raised in Canada and the consequent wool production. So serious was the situation that some four years ago an investigation into the situation was conducted by the live stock branch of the Féderal Department of Agriculture. It was discovered that wool had been sold under very unsatisfactory methods. Under the conditions obtaining, Canadian woollen manufacturers were able to purchase their wool to better advantage on outside markets, owing to the fact that they were able to secure a uniform and dependable quality and a much cleaner product. The manufacturer, in addition, objected to the Canadian wool since it was neither classified nor graded, and when purchasing he was obliged to buy grades which he did not require. As a result, he found himself overstocked with classes of wool not required by him in his special line of business. The whole situation was discouraging not only to the manufacturers who used to buy in Canada, but to the sheep growers, who had been rapidly going out of the industry.

The officials of the live stock branch, as a result of this enquiry, conducted a propaganda for more and better wool. Wool growers' associations were organized and an appeal was made to the sheep rangers to introduce modern methods of preparing the wool for market. Wool pre-

Continued on page 7.

DEVELOPMENTS EXPECTED IN MANUFACTURING CIRCLES

Important Deals Which Are Now Pending and Which Affect Some Important Industries in the Dominion.

Certain important developments are expected in Canadian manufacturing circles in the near future. It is not advisable at the present time to give the names of companies referred to and which are known to the FINANCIAL POST, but the information which follows is authentic.

To Purchase American Plant.

Negotiations for the purchase, by a Canadian metal working company, of a large American plant producing raw materials, are now under way. unless some unforeseen development occurs. It is expected that the deal will be closed is a few days. The Canadian Company is one of the best known in its line, and has plants in a number of places. The Canadian company has had a great deal of difficulty in securing supplies of raw material, more particularly during the past year. By acquiring the American plant, the Canadian company hopes to not only have an abundant supply of raw materials, but also hopes to have a surplus which can be disposed of in Canada, or if necessary in the United States.

Another Merger.

For a year past there has been some talk of merger of two large and well known manufacturing companies in Canada. The larger of the two has been in the limelight on more than one occasion when acquiring possession of other companies. The matter has come to a head during the past month and the two firms interested are known to have almost arrived at an agreement. According to well founded information there is now only one matter which is preventing the deal from going through, whereas there were a number of obstacles only a short time ago. There is however a somewhat remote possibility, that the smaller of the two companies will be split up, one department of the business being taken over by American interests, and the other part going to Canadian interests which are keeping in the back ground.

To Make Goods At Home.

Another large metal working company controlling several plants in Canada, and at present manufacturing munitions on a large scale, has for years been a large importer from the United States. This company has had experts at work for some time past, and has found that much of the machinery now used in making munitions can easily be adapted to produce many of the lines imported from the United States, prior to the war. The new products which this company intends to make are not now being made in Canada, although used here in huge quantities.

Going to Russia.

Still another Canadian manufacturing company last week sent a representative to Russia to investigate the possibilities for business there. For the past two years the company has been securing many inquiries from Russia and has made some shipments. The products of the company although running into money rapidly, do not occupy very great space, and a decidedly valuable order, does not take up a great deal of room. The company is one of Canadas comparatively new manufacturing concerns and has made good progress since its establishment.

Varnish Co. Coming.

A large and unusually successful American varnish manufacturing firm has been building up a connection in Canada for the past six years. The business has now reached the point where, it is felt that a Canadian plant is needed to take care of the business in this country. Arrangements are now being completed for establishing a plant here, and it is expected that operations will commence in July.

NEWSPRINT CONTROVERSY NEARS A SETTLEMENT

Government and Manufacturers Come to a Tentative Agreement as to the Price to be Charged.

In connection with the report from Ottawa that an understanding had been reached between the paper manufacturers of Canada and the Government, THE FINANCIAL POST interviewed A. G. Campion, chairman of the news section of the Canadian Pulp and Paper Association, who has been intimately associated with the negotiations from the beginning of the controversy, and obtained from him the following statement:—At a conference held at Ottawa on Wednesday, the 14th, between the Minister of Finance and the Minister of Customs on the one side, and the Canadian Paper Manufacturers on the other, the matter of supplying the requirements of Canadian newspapers was discussed, and a basis of price for the same was to some extent reached. The Government will favor a price of 2½ cents at the mill for rolls. Whether the various manufacturers will provide the tonnage as prorated to them, or whether those who are not supplying and cannot supply their share shall reimburse those who may supply more than their share, is left largely to the manufacturers to arrange. The manufacturers asked that the Government pass an Order in Council in connection with this whole matter, as a war measures Act, so that the inference shall not affect the market value of newsprint under the commercial and logical laws of supply and demand in the markets of the world.

NEW ZEALAND'S RAILWAYS.

Worst in World, Says One Who Knows Them.

In Canada in connection without transportation problems we have heard much of the government ownership policy as employed in New Zealand. That the New Zealand train service is the worst on the five continents is the opinion of Sydney Smith who writes THE POST the following letter:

> I have read in THE POST of the movement of the nationalization of the Canadian railroads. If you want a convincing argument against state ownership of railroads, investigate the Australian and New Zealand railroads. I have traveled in the five Continents and have never experienced a worse rail service than the New Zealand or a more costly service to travel or freight on; freights and passages are of the highest, the service is of the worst, and the employees the most casual. The express between the Capital City Wellington and the largest City Auckland averages just over 20 miles an hour, the trains are filthy, and porters are practically unobtainable. When one thinks of your magnificent C.P.R. and all that it has done for Canada's service, one is impelled to write and call "Cave" before you change. You will never improve it under State ownership and are fairly certain to destroy its efficiency. To improve the efficiency of the C.P.R. would be to improve its efficiency in Canada.
>
> SYDNEY SMITH,
>
> Rotorna, N.Z., 12 Jan., 1917.

CONSUMERS GAS FINDS DEMAND IS MUCH LARGER

Market is Only Limited by the Company's Output.

EARNINGS WELL MAINTAINED

It is Intimated That Steps Can be Taken to Overcome Difficulty of Rising Cost of Raw Material.

There was never a period in the history of the Consumers' Gas Company when demand developed so rapidly as it has since the opening of the company's current fiscal year, is stated by Arthur Hewitt, the general manager, as emphasizing the remarkable developments of the field for commercial gas, particularly for industrial purposes. Consumers' Gas has been following a policy of progressive enlargement of its productive facilities and, according to Mr. Hewitt, the consuming demand has been only limited by the output. So many and varied are the uses to which gas can be put in modern industrial activities that there would be little difficulty in finding a market for an even more rapidly increasing output. It requires only small effort in an educational way to make new consumers when the natural development in the market is not sufficient to take care of increased production.

Gas is finding a very important place in a great many industries. This has been particularly the case since the outbreak of the war. Practically every munitions plant is a heavy consumer of gas. Gas for various furnaces for heating purposes and for the generation of power is in steadily increasing demand. The increasing cost of fuel is also making gas more popular for domestic purposes both in cooking and heating. Altogether these conditions in relation to the gas industry are a marked contrast to the fears which were generally entertained by shareholders of such securities that the cheap development of hydro-electric power and the general adoption of electric light would have a serious, if not disastrous, effect on the demand

While the output of the Consumers' Gas Company has been steadily increasing, average profits have been on a declining basis owing to the increased cost of coal, oil and other raw material and the maintenance of selling rates on old levels. However, shareholders may rest assured as regards their dividends which are fully protected by the earnings. Further, it may be taken for granted that if the prices of coal and other materials reach a level which will not permit of sufficient profits to provide the dividend margin, steps will be considered in the direction of an adjustment to protect the shareholders' interests.

At the present time the company is naturally very seriously affected by the coal shortage. When it is considered that normal consumption runs about 800 tons per day—16 fifty-ton cars every twenty-four hours—the difficulties of the management in getting their supplies through with the present tie-up in the freight situation may be appreciated. So far as actual production is concerned, THE POST understands that there has been no serious interference with operations as yet, but it can be readily understood that the situation is serious where a company has such a large consumption that it could not hope to provide adequate storage facilities for satisfactory protection. However, it may be taken for granted that if coal is at all available, the Consumers' Gas Company will get its share. The city is so largely dependent upon the gas supply that every possible effort will be made to maintain it. Not only is gas just about as important as coal in the average household, but the requirements of the munitions plants are also of first importance.

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NEWS OF SECURITIES—Market is Still Waiting

STEEL STOCKS

Market for Securities Shows Firmer Tendency—The Transportation Problem.

By P. BAIN, M.E., Editor Canadian Machinery.

The iron and steel market continues to be affected by the international situation, but, since the decline following the break between the United States and Germany, steel securities have on the whole exhibited a firmer tendency. Although the outlook continues unsettled, the opinion is becoming more generally held that war between these countries would not materially affect the industrial situation in Canada. At least, while the war lasts, and regardless of whether only preparedness or entry into the war be the ultimate outcome across the line, capacity business is assured for Canadian steel producers. For this reason the latter are likely to continue to enjoy for a good many months to come the activity and in large measure the prosperity which they experienced during 1916. Extreme and violent declines in stocks are thus unlikely, although fluctuations, with a steady downward tendency, will occur more so than in normal times on account of a war-engendered business sensitiveness.

It is extremely doubtful if producer earnings for the first quarter will be as great as were anticipated owing to the curtailment of output. In this regard the situation is not particularly bright for immediate improvement owing to transportation difficulties, the recent severe weather having still further restricted the movement of cars on the railways, and in consequence, offset the advantages expected to be derived from the transfer of passenger train motive power and crews to that of freight haulage. Furnaces relying on the Connellsville, U.S., district for supplies of coke are operating at reduced capacity, the production of steel being in consequence curtailed. Coke production during the cold weather fell off 50 per cent., while the congestion on the railways further reduced the available supplies at the mill furnaces. The coke situation is extremely serious, and there is little prospect of immediate relief, although an improvement in weather conditions will help some.

The pig iron situation is important, as it directly affects conditions in the steel market. At the present time many furnaces in the United States are out of blast. Stocks of pig iron there are very low, and many producers would be cleaned out altogether were it not that railroad embargoes are operative. Furnaces are also in a sold-up condition, making it still more difficult to get pig iron. Many Canadian concerns are now dependent to a large extent on American pig iron, and are, of course, badly handicapped by the shortage in the States. Prices of pig iron are steadily advancing, a feature that will of necessity be reflected in the finished products of which it forms a part. Pig iron is being quoted around $35 per ton, Buffalo and Valley furnaces, at which price it would cost laid down at Toronto or Montreal about $43 per ton. Indications point to a more serious shortage of pig iron than at present exists, and, should this develop, $50 pig iron may be looked for. Prices of steel products will, therefore, undoubtedly advance to higher levels, although they are higher now than at any time in the history of the steel industry.

The more or less conservative policy being pursued by our various steel companies relative to dividend distributions is such as to commend itself not only to our citizens generally, but to the investing public as well. While big profits have been earned during the past months, a large proportion of these should be set aside to wipe out the many heavy indebtednesses that were as a matter of course incidental to the establishment and development of an industry so gigantic as that of steel manufacture in a comparatively new country. The opportunity to do so is for the first time available, and there is every indication that it will be fully taken advantage of by the various executives concerned. In the ensuing twelve months, or for the remaining period of the war, profits arising from steel contracts for munitions are likely to be a shade, at least, under those realizable from normal peace time business, a circumstance which serves to indicate that further opportunity to consolidate resources on a big scale will not be available. By adopting the policy outlined, not only will the old-time millstones of heavy indebtedness be cut loose, but bank balances of the most substantial proportions and the physical condition of plants and equipments be enhanced in value as operating assets.

Both Canada and the United States for many months now have been experiencing big business in a manufacturing sense, same having, from foundation to superstructure, steel as the main constituent. Troubles inherent to it have been successfully surmounted. Not so, however, as regards that outside its pale, yet accessory—the matter of transportation of material. In a word, our manufacturers have taken the overload of big business comfortably, while our railroads have gone to pieces under it. Preceding and immediately following the outbreak of the war, our railroads more than any other section of our commercial and industrial enterprise set the pace for retrenchment in expenditures, and as each succeeding month unfolded, the disposition to maintain a like attitude appears to have been still further encouraged. Some three years have elapsed, as a consequence it is only reasonable to assume that rolling stock in any quantity is far from available to meet the abnormal traffic now in evidence, and that additions to it, aside altogether from the upkeep and overhauling of that existent, are financially impossible with material and labor costs at their present figures.

That our railroads will have to come into the market sooner or later with very substantial orders for equipment of every kind is of course understood, because otherwise that species of transportation will go from bad to worse, and meantime it would almost appear that we are now making contact with the latter. There is a problem here. Can our railroads pay the price for material on existing freight rates? We think not, even although they have been wholly responsible for the present highly unsatisfactory state of affairs.

High steel prices will prevail for the duration of the war, and on some products, particularly plates, for a considerable time afterwards. The demand for ship sections and plates is far in excess of present production, the mills having their output sold for the whole of this year. Prices, consequently, are very high, and the crest of the upward movement is not in sight. The ships lost during the war will have to be replaced; the outlook in the shipbuilding industry is thus exceptionally bright.

The large number of ships now being built in the United States and Canada is largely responsible for the tight situation in the plates and shapes market. Canadian shipbuilders are participating to the fullest extent in the construction of new tonnage, the yards on both coasts and on our inland lakes being full up with orders. Notwithstanding the high costs of plates this activity is sure to continue until the shortage of tonnage has been well met. Getting plates, even at any price, is quite a problem.

Building construction is being held up in a number of cases, owing to the difficulty of getting steel; the high cost of materials is also an important factor. The proposed nickel refinery to be established near Sudbury, Ont., is an important development. The first unit will cost approximately $1,500,000, but provision is being made for extensions as required. About 2,500 tons of structural steel will be used in the buildings which will comprise a converter building, machine shop and power house.

NOVA SCOTIA STEEL.

In addition to the $40 per share on common stock, which the earnings of the Nova Scotia Steel & Coal Co. are expected to show for 1916, it is being pointed out that the company had $13 per share tucked away in certain subsidiaries which was not divided and which will not appear in the report itself. This is evidently connected with Scotia's fleet of boats of fourteen steamers which bear an important relation to the transportation of ore from the extensive deposits at Wabana, Nfld. Referring to the comparatively disappointing performance of Scotia common stock on the market, a Boston authority points out that as a steel manufacturer Scotia is not particularly important. The steel mills are described as antiquated and the opinion is expressed that if the company is to develop as a first-class Canadian producer, its plant system needs to start again. In this connection it is stated that the company can, out of surplus profits in 1916 and 1917, easily pay the greater portion of whatever it would cost to modernize its steel producing equipment; $15,000,000 could probably do the job.

There is a growing feeling on the part of the common stockholders of "Scotia," that they should be permitted to participate in the company's prosperity pretty soon. They recognize that the preferred dividends must first be paid, but think it about time that their interests were given a little consideration. The suggestion has been made that the common stockholders should pool their stock and have a representative at the annual meeting.

W. D. Ross, vice-president, is in New Glasgow this week, and is expected to return to Montreal along with Col. Cantley over the week-end. The company has been able to keep its full complement of O.H. furnace in operation in spite of transportation drawbacks, and is believed to have on hand all the business they can comfortably take care of for at least the greater portion of the present year. The stock has been quiet during the week, 50 shares selling at 103 on Wednesday. On Thursday, 103 was asked and 101 bid.

CANADIAN CAR.

The shareholders of the Canadian Car & Foundry Co. are patiently waiting for the final report in connection with the Russian shell order. It is understood that the adjustments are well on towards completion, and a definite statement may be expected very shortly. No information has been received from Paris yet with regard to the company's tender on the big order for steel cars required by the government. George T. Douglas, assistant to vice-president Butler, is now in France, in connection with this and other matters involving the company's interests. Car common closed at 30 last week, but dropped back a couple of points the middle of this week. The preferred, which closed at 70 last week, has ranged from 70½ down to 69 this week.

STEEL OF CANADA.

The Steel Company of Canada has had a record year's business and will have a record statement of earnings to present to the shareholders at the annual meeting which will be held in April. The Company is booked up to the limit of capacity for many months, and any orders taken now, are subject to delivery at mill convenience. The government's requirements in the shape of munition supplies are given the preference, and next in line come the needs of railway companies, and the manufacturers of agricultural implements. The common closed at 59½ last week, and has been keeping steady around that figure this week.

DOMINION STEEL.

Mark Workman, president of the Dominion Iron and Steel Company, has not yet returned from his trip of inspection to the company's properties at Sydney, but he is expected back the latter part of this week. In the meantime highly satisfactory reports as to the company's earnings are being distributed from various sources. It is understood that even the most sanguine estimates that have been made up to date will be exceeded. The company will end its fiscal year practically free of debt, and will have a very large sum of money in the treasury. The stock closed last week at 61, and has ranged from that figure to 61½ this week. The public is still showing a disinclination to come into the market pending the clearing up of the international situation.

CANADA FOUNDRIES & FORGINGS.

The annual statement of the Canada Foundries & Forgings shows net profits for 1916 of $653,852, as compared with $832,056 in 1915, or a decrease of $178,204. The lesser profit earned has been largely, if not altogether, due to the lower range of prices ruling for munitions, and would have made a still less favorable comparison with 1915, had not the management set about providing and putting into operation equipment to take care of a greatly increased output in that particular product. The total assets, notwithstanding the very liberal writing off of all plant and equipment established for special purposes, have increased by almost half a million dollars, or, to be exact, $496,441. Evidence of the increased capacity referred to is demonstrated by the gain in tonnage production which in some lines amounted to about 100 per cent., while gross business shows a gain of about 33 1-3 per cent. Present indications point to 1917 showing favorable results, orders on hand at the first of the year being of such volume as to keep the various plants operating at capacity for several months ahead.

As an evidence of the increased output during the past year, the production of forgings alone from one of the three plants shows an increase of 25,000 tons, the comparative figures being 14,000 tons, and 39,000 tons for 1915 and 1916 respectively. Production for domestic and foreign consumption, while naturally somewhat curtailed, has not been neglected, and, under the circumstances, may be said to have been well maintained. The company is in a strong position financially, and is therefore well able to face the war end with equanimity. Excellent domestic and foreign business is in prospect, and, to the securing of a large slice of each and their further development, the board have been for some considerable time giving careful study.

DOMINION STEEL FOUNDRY.

The directors of the Dominion Steel Foundry Co., Hamilton, Ont., at a meeting in Toronto, on Feb. 9, declared a further dividend of 5%, including an extra dividend of 3% on the common stock, bringing the total for the year to date up to 25 per cent. Last year the directors paid 40 per cent. on the common stock. The regular quarterly dividend on the preferred stock of 1¾% was also declared. The dividends are payable March 1, of record February 22, and the transfer books will be closed from Feb. 23 to Feb. 28, inclusive. The annual general meeting of the shareholders will be held at the office of the company, Depew St., Hamilton, Friday, February 23, at 11 o'clock a.m., for the purposes of receiving the annual report, the election of directors and the transaction of such other business as may arise. It is understood that some shareholders are dissatisfied with the distribution of the stock of the subsidiary—the Hamilton Steel Wheel Co., and doubtless expression will be given same at the annual meeting. The Steel Wheel Co., however, although in operation less than two months, promises to be a source of substantial revenue on its own and the parent concern behalf.

LAKE SUPERIOR CORPORATION.

It is understood that the Lake Superior Corporation is installing three more open-hearth furnaces at the plant of its subsidiary, the Algoma Steel Co., at Sault Ste. Marie, Ont. Work is now going on, and two of the new furnaces are expected to be ready inside of two months. They will have a capacity of 75 tons each and will bring the daily output up to something like 2,000 tons of ingots. Production activities at the Soo are for the most part centred on the output of shell steel. Contracts for steel rails are, however, being taken care of as far as possible, in which specialty a good margin of profit is believed to be showing. It is freely hinted that the Algoma plant is in a particularly good position just now, there being a heavy quota of orders on its books, so much so that additional contracts offering have had to be passed up. The capacity of the plant will, it is believed, be taxed to the full, at least while the war lasts, and there is little doubt that, when the demand for munitions steel falls off, or ceases altogether, there will ensue a more or less abnormal demand for steel for railroad and general manufacturing purposes, and, as a result, little lessening of meantime activities may be anticipated; in any case, it is more than probable that a decreased tonnage output will be offset by more favorable prices.

The car shortage which prevailed throughout last fall, and even up to the present time, has added costs not counted on, this condition preventing storing up a sufficiently large reserve supply of coal at the plants during the open season to meet the winter requirements. Now that the lakes are closed to traffic, some coal and coke has to be brought round by rail, which would otherwise have been unnecessary. There is reason to believe that 1917 will prove the best year the company has ever enjoyed.

DOMINION BRIDGE.

It is understood that the Dominion Bridge Co. is figuring on a large bridge contract for the Russian Government, the cost of which will run into several million dollars. Munitions manufacture of a widely varied nature is still the outstanding feature of this company's activities, and will likely continue so right up to the war end. In the coming peace time, this concern, along with its subsidiaries, is bound to play a very important part in Canadian industry, both from a domestic and export standpoint, due, of course, to the provision made—as a result of munitions manufacture, in plant and equipment to produce lines of specialties hitherto imported. The stock which had a high record of 231¾ last year, closed last week at 14 It has been weaker during this week, closing 145 asked and 134 bid.

TEXTILES

Securities Were Generally Dull, But Some Improvement in Tone.

By H. H. BLACK, Editor Dry Goods Review.

Textile securities during this week seem to have recovered the slight lapse of the past fortnight and while there has been little trading, the prices were well up to normal. In one or two cases a slight strengthening in position was noticeable.

While the statements for the past year will show abnormal sales and highly satisfactory earnings, in the case of most mills, the FINANCIAL POST is not of the opinion that such a condition will be repeated in all these mills for the year 1917. As has been pointed out for several weeks past, the wholesale and retail buying during the year 1916 was phenomenally large, due to a return of favorable business conditions for the stores that allowed of buying largely, not only for immediate or seasonable requirements, but also for months ahead, on the principle that heavy purchases of stocks in most lines early in 1916 were justified from the reasonable certainty that prices would go much higher for the balance of the year and on into 1917.

The result of this heavy buying on all hands, continuing almost up to the end of 1916, loaded up the mills with orders which they are staggering under still, and assured them of good prices and a business up to their capacity.

At the same time the opening of the buying season for fall, 1917, finds the retail trade with heavy stocks on hand in staple lines and not prepared to buy as heavily now, apart altogether from the feeling that it would be dangerous to load up on goods that have reached almost the limit in price to retain demand on the part of the public.

In order to test this point, THE FINANCIAL POST consulted several wholesale houses. The general manager of one of the largest houses in Canada made this statement: "We ourselves will not buy nearly as heavily in cotton lines for fall as we did one year ago. We have some stocks on hand ourselves, and we find that most of the retailers have also. This and the high prices will keep down retail buying, and indeed this cutting down is in evidence already. For safety sake, therefore, we ourselves cannot buy as strongly as last year."

At the same time this wholesale house is stocking largely in woolens for fall, and loaded up in knit goods also, and finds that the retailers are meeting these heavy purchases along the lines of woolen dress goods and suitings, underwear, hosiery and gloves. But there they balk.

In other words, the cotton mills must face a condition of sales that will not only be cut down in the aggregate, but will trickle in over the whole selling season where they poured in in "job lots" in 1916, at the beginning of each season. This necessarily will mean a certain adjustment of themselves to external conditions, more expense in securing business, and a greater uncertainty as to the lines they can sell, while labor scarcity will be more pronounced. They start the year, however, with heavy orders already to be filled, and, with import sources rendered still more difficult, are likely to have no difficulty of dispensing of all their available output.

An offsetting influence to a falling market is referred to in connection with Dominion Textile Co., a possibility of European orders immediately after the war.

The woolen mills, including those in the knit goods business, are in a rather different condition; the wool supply controlled as it is by the British Government is not likely to go up, but can hardly go down, and word that reached THE FINANCIAL POST from England this week is to the effect that 75 per cent. of all the knitting mills there and 70 per cent. of the worsted spinning mills have been commandeered by the Government under the national industrial policy of Lloyd-George. Thus the retailer has no fear of any lower prices in woolens and knit goods, but rather higher, and no surplus, but rather a scacrity. Under these conditions it would not be unreasonable to hope for almost a duplication in these plants of conditions such as are exemplified in the reports of Monarch Knitting Co. and Atlantic Underwear, which appear below. The only element to be feared, it would seem at this stage, is that the scarcity of labor may cut down the output seriously and proportionately increase the overhead charges on the plant and thus lessen the net profits.

The raw cotton market continues weaker, with spot at 16.30 and putines falling as low as 15.77, a drop of 5 cents since late last year.

CANADIAN CONVERTERS.

THE FINANCIAL POST learns on excellent authority that 10 per cent. is likely to be a conservative estimate of the earnings of Canadian Converters for the fiscal year which will close the last of April. As the company is in excellent shape, it is regarded as a foregone conclusion that the directors will decide to resume the payment of dividends. The company formerly paid four per cent., but has paid nothing since May 15, 1915. The mill is working to its available capacity to catch up with orders on hand. During the week 60 shares were sold at 44, the prevailing price since the first of the year.

CANADIAN COTTONS.

The samples are now on hand for the fall output of Canadian Cottons, although this business is small compared with spring business at which the mills are "over head and ears" at work. In order the better to handle orders for fall the number of "lines" were decreased slightly, the company preferring to concentrate on the lines that are required most. Prices for fall are far higher than they opened for the past season. In view of price conditions the mills are looking for some drop in orders compared with a year ago, but would welcome this in order to catch up with the spring and summer business they have now on hand.

Labor conditions are rather worse at the Hamilton mill, but improved slightly at the Cornwall and Quebec mills.

There were a few sales this week of the stock at 52½, the same as the close for last week. The highest point reached this year was 55.

DOMINION TEXTILE CO.

Better conditions were reported to THE FINANCIAL POST so far as labor is concerned and the mills are gradually gaining on their spring and summer orders. Most of their fall samples are now on the market, with prices higher than the highest that ruled for the past season.

A representative told THE FINANCIAL POST that owing to the steady installation of automatic looms the mills were getting in a position where not nearly as much labor was required. This process of substitution would go on steadily and would greatly increase the capacity of the mills.

Speaking of future prices and business this man, identified closely with the selling end, stated that while they expected a slight slump in prices on the arrival of peace, that they were confident that big orders were assured for Canadian mills in grey and bleached cloths from the mills of Europe. The print mills would not be content to wait until their own mills could weave these cloths, but would rush into the Canadian and United States markets, keeping up prices in Canada long after war was over.

A few shares were registered at 80 this week, a better showing on the whole than last week, when the figures ranged between 76½ and 80½. Preferred sold at 103½, compared with 103 and 104 last week.

Over $12,000,000 Sales in 1916.

The Montreal editor of THE FINANCIAL POST sends the following:

Notwithstanding the serious labor troubles the Dominion Textile Co. have had to contend with, THE FINANCIAL POST understands that the gross sales for the past year will be well over $12,000,000. In 1915 the sales were $10,438,099, and in 1914, $7,643,674. The largest up to that period were in 1913, $9,824,101.

The company's output is approximately $1,250,000 a month. The profits of the company are expected to show a correspondingly large increase over last year. The fiscal year will close at the end of March, and the annual statement will, no doubt, be very pleasant reading for the shareholders.

The company has not yet been held up for raw material, but is looking forward to the future a little anxiously, as there are no less than two hundred and sixty cars of cotton which have been on the way from two to four months.

MONTREAL COTTONS.

Labor conditions are a serious factor in the Montreal Cottons mills and many orders from the manufacturers or converters have had to be refused on account of inability to turn out the goods. While the mills are catching up in deliveries they are not able to work at anything like capacity.

There were no sales this week, last week's figures running between 50½ and 52. The high for the present year was 58.

MONARCH KNITTING CO.

All that has been said in THE FINANCIAL POST in regard to favorable conditions in knit goods circles from the point of view of a profitable year is more than borne out by the annual report of the Monarch Knitting Co., which has just come to hand. After providing for war taxes the net profits for the past year, ending Nov. 30, were $145,534, compared with $83,533 for the previous year. These earnings represent 7.3% on the common stock. After paying preferred dividends, both deferred and current, a surplus was left of $97,409, which was added to the surplus of $194,889 at the end of 1915 and thus there was brought forward into 1917 the sum of $292,298.

The inventory account was $1,002,565, compared with $517,519 the year before, while the bank liabilities are $666,300, against $201,000 in 1915.

During the year a hosiery plant was established at St. Catharines, which increased the assets of this nature to $978,431, compared with $781,329 one year ago. This end of the business, as has been remarked before, THE FINANCIAL POST firmly believes will develop into one of their most valuable assets.

Accounts receivable were increased by $55,000 and $107,969 was set aside, for depreciation, while there was nothing the year before.

One of the most favorable features, as indicating a basic strength in the retail trade, their customers, is the fact that accounts payable shrunk from $63,425 to the trifle of $1,600.

Some may be surprised at the failure to pay a dividend on common, but the company have plans for further developments.

At the meeting of the shareholders to be held on Feb. 24 at Dunnville, by-laws will be submitted to authorize the purchase of shares to the value of £1,000 in British Dyes, Limited, and to provide for the incorporation of a company in the State of New York, with a similar name for better carrying on the operation of the Buffalo mill. The explanation of the first named by-law is that no one who is not a shareholder in the new £5,000,000 dyeing institution in England—formed to make dyes in England formerly made in Germany—can receive any of its product.

PENMANS.

With the dividend cheque and bonus of Penmans was an announcement of the annual meeting of the shareholders to be held in Montreal on March 5.

One of the factors that have restrained Penmans in accepting orders for knit goods for fall has been the uncertainty as to a supply of wool and yarn for Canada, with England controlling the Australian and New Zealand clip.

THE FINANCIAL POST learns that the Dept. of Trade and Commerce at Ottawa are having a census made of the amount of the Australian wool used in Canada last year, and also what will be required this year. This information is being cabled to England, and it is expected that special concessions will be made to Canadian mills. As matters stand, not a pound of wool has been allowed to leave Australia for Canada in the past three months.

No shares were sold this week of the Penman stock, last week's figure standing at 70.

ATLANTIC UNDERWEAR.

The annual meeting of the Atlantic Underwear Company was presented with a financial statement showing a net manufacturing profit of $81,973 for the year. The directors made an allowance for depreciation on machinery, buildings, furniture and war tax of $39,915, they paid 7 per cent. on the preferred stock and 4 per cent. on the common. With a balance of $28,007 from 1915 this leaves a net balance of $63,364 to credit of profit and loss. This is a fraction over 25 per cent. on the common stock of $240,000. The output was well over the half million mark. The orders were in excess of what they could accept or manufacture, though the plant was kept going at extra pressure and overtime. At the meeting which was held in Moncton, out-of-town shareholders were Hon. O. T. Daniels, attorney-general of Nova Scotia; R. W. Elliott, managing director of the Nova Scotia Trust Company; J. A. McDonald, president of Amherst Pianos, Limited; E. R. McDonald, Shediac, A. E. Trites, Salisbury.

MILLING

No Particular Movement of Securities—Transportation Presents Problems.

By J. R. RUTLEDGE, Editor Canadian Grocer.

Milling securities during the week have not shown any particular development. The wheat market has remained at a fairly normal level. Fluctuations were merely nominal and could not be attributed to any external conditions, what changes there were being entirely of speculative nature. The flour market has also shown a very decided dullness. There has been only a fair demand and the movement on all flours has been light. There have been no changes in prices noted during the week, and with the wheat market remaining steady none are expected at an early date.

The railway situation is proving a very disturbing element, the scarcity of rolling stock is making it very difficult to get flour and feed from the West. The situation has not yet become very acute, but it is sufficiently serious to require the closing of at least one large Ontario mill from the inability to get sufficient raw material.

MAPLE LEAF MILLING.

The company admits that the car shortage has materially curtailed its business of recent date. Not only has it been impossible to get cars to bring the grain from the West, but it has been impossible even to get sufficient to move the stock already milled. The consequence is that for some time past the mills have been turning out only about half of their normal output, and business could not, therefore, be encouraged. The company, however, looks for a speedy relief from this situation, as it has word that two trains of empty cars are due at the mills which will readily handle the accumulated stock. The sales manager of the company states that local business has been dull, but that export trade has been going along as usual. No definite decision has yet been reached as to standard grade of flour for the British Government. Flour is being shipped, however, as near the grade of samples supplied by the British Government as is possible, and no difficulty is expected.

Maple Leaf common has shown a slight increase in the opening days of the week over last Saturday's price, some considerable number of sales having been made at 97. The preferred stock showed some degree of activity during the latter part of last week, reaching 103, more than four points higher than the previous high figure for the year; the boom was short-lived, however, and before the Saturday trading closed it had dropped to 95. The early days of the present week showed an increase of half a point and a fair amount of trading was done at this figure.

LAKE OF THE WOODS.

The company has declared the regular quarterly 2 per cent. dividend on preferred stock, payable March 1 on the stock record of Feb. 24. There has been very little movement in this stock, either common or preferred since the new year. The last sale of common was made at 125, only a few shares changing hands. This was five points below the opening price of the year. The preferred was even less active, the only sale to date for the current year being made at 116.

OGILVIE MILLING.

The movement in the common stock of this company has been quite active of late. Last week closed with fairly heavy sales at 139. The early sales of this week showed a slight weakening, but the trading continues very active, 255 shares changing hands on Tuesday. The preferred stock does not show the same tendency to activity. Sales were made at the close of last week at 111.

SHREDDED WHEAT.

The first recorded sale of this stock was on Tuesday of this week, when 30 shares sold at 136. Despite the fact that this firm has not increased the price of their product to meet the rising cost of materials, the annual statement, which, as reviewed in another column, shows a remarkable increase in earning power, with revenue about 30 per cent. higher than in 1915.

LIGHT AND POWER

Utility Stocks Dull But Position Generally Well Maintained.

Public Utility shares have been generally steady and unchanged in the market recently and have shared in the general dullness which has prevailed. As regards these securities they appear to be influenced to a greater degree by the general situation than is warranted as they are not affected by the factors which are having greatest influences on munitions and other industrial stocks.

No higher average price for electric light and power utility bonds ever existed than those quoted in 1916. On the average such bonds increased in price during the past year 2.5 points, according to the regular compilation made by the Electrical World of monthly quotations on ninety-six representative issues, or over one-third of the aggregate par value of all American light and power bond issues. The closing price of 1915 was 94 and for 1916 it was 96.5, an increase of 2.5 points. The highest price in 1916 was 96.6, registered in November. The lowest price was 94.7, registered in January.

The city of Calgary is going to learn what the law courts have to say about the exclusiveness of the franchise granted to the gas company. Already the city has won the first round of the controversy. It is going to a higher court to see if it can win further, and establish its right to pipe gas into the city and distribute it to consumers.

If the Calgary people are granted this right, it is very likely that the charter granted by the citizens of Lethbridge five years ago does not exclude the city either, says the Lethbridge Herald. The city should learn from the city solicitor his opinion in the matter. The question opens up many possibilities and will be followed with the greatest interest by the citizens.

Continued on page 7.

SOUTHERN CANADA POWER.

The Southern Canada Power Company is branching out in a very aggressive manner. It has acquired the Richmond Electric Company and also the Brome Lake Electric Company. The former furnishes light and a small quantity of power to the town of Richmond, and has a small water power which is developed from a chain of lakes emptying into the St. Francis river. The company is controlled by Lieut.-Col. Harkom, and had a gross revenue of $12,000 and a net revenue of $6,500. Richmond will be placed on the main transmission line of the company, which extends from Drummondville to Sherbrooke.

The Brome Lake plant supplies the towns of Waterloo, Knowlton, and Foster, and has a small developed water, with an ultimate capacity of 2,000 horse power. This development will eventually be used as an auxiliary to the main system. The Southern Power Company is now serving thirty-five towns in the Eastern townships. Mr. Teele, the managing director of the company, was formerly general manager and consulting engineer of the Trinidad Electric Company and allied enterprises.

The consolidation of the Sherbrooke Railway Co. with the Southern Canada Power Company will be completed this month.

CONSUMERS GAS.

The market has recently held steadily for Consumers Gas stock. In another column will be found an article dealing with the very satisfactory development of the market for gas in Toronto, pointing out, at the same time, the severe difficulties being faced in securing the large supply of coal necessary for the operation of the plant. There has been some apprehension in certain quarters that the higher cost of production might affect dividends, but THE POST is assured that the shareholders need have no fears on this account, and that if the dividend is in danger the earnings can be increased to meet the emergency.

CIVIC INVESTMENT.

Civic Investment continues on the even tenor of its way. Quite a number of shares were traded in this week at 81, which is within two and a quarter points of the high price of last year, the high this year being 82¼. The name is to be changed to the Montreal Light, Heat & Power Consolidation, and the stock will again be known as Montreal Power. The great potential value of the assets of this company, together with its excellent management, should make the stock an attractive investment buy at the present figures.

The half year completed on January 1st made a very satisfactory showing. It is understood that the surplus earned for that period was well on for $2,500,000, which would be close to a full year's dividend of four per cent. on the $65,000,000 stock of the consolidation. For the first nine months of the company in its present form it is believed that surplus earnings, after all charges and depreciation, should represent at least 6½ per cent. on the capital.

Activity in the industrial fields has resulted in a large increase in the demand for power at satisfactory rates. The gas department has had to face difficult problems owing to the coal situation, but the general results of the business are considered satisfactory.

PULP AND PAPER

Market for These Securities Stagnant With General Trend of Prices Towards Lower Levels.

By W. A. CRAICK.

A glance over the stock exchange reports for the week is sufficient to show how stagnant the market for pulp and paper securities has become. Contrasted with the days when thousands of shares changed hands daily, the half-dozen or so transactions per day at the present time look very small. Some of the former market leaders are only dealt in at intervals of several days and other stocks, when they do sell, are going in very small lots.

The general price tendency of the week, as indicated in the following table, has been downward. A loss of practically six points for the seven active stocks considered, brings the aggregate values of the common stocks of these companies down many thousands of dollars. As a matter of fact there is neither selling nor buying of paper securities going on and, in common with the rest of the market, paper stocks are marking time until some definite developments in the general situation occur.

A report appeared on Thursday that the newsprint difficulty had been settled, an agreement having been reached making $2.50 per 100 lbs., f.o.b. mill, the Canadian price. This report, it appears, was premature and a denial was issued from the Finance Minister's office stating that nothing definite had been settled. The paper manufacturers were again in conference with Sir Thomas on Wednesday, whith probably accounts for the currency of the report. A price of $2.50 per 100 lbs. would mean an increase of $10 per ton in the case of the smaller publishers but about $15 per ton in the case of the larger publishers and it is on this difference that the difficulty of adjustment hinges. A $10 increase to apply to all publishers is what the newspapermen want.

	Close Feb. 8	Close Feb. 15	Change
Laurentide . . .	185	184	—1
Riordon	114	114	. . .
Spanish Com. .	16	15½	— ½
do., Pref. .	57	52½	—4½
Wayagamack . .	85	82	—3
Brompton	52	54½	+2½
N. A. Pulp . . .	7⅝	8	+ ⅜
Net change, seven stocks			—5⅞

The agitation against higher prices for paper has spread to other classes of consumers and this week the publishers of school books have been heard from. A memorandum has been sent to Sir Thomas White setting forth how prices have gone up 300 per cent. in a year and praying for the appointment of a special committee of inquiry. Publishers allege that, if the government does not take steps to hold down the price of paper, the cost of school books will have to be raised. In this way they hope to get public sympathy for their appeal.

In the United States an investigation is to be commenced by the federal grand jury with a view to ascertaining whether there is a conspiracy in restraint of trade in the newsprint situation. It is stated that the department of justice has obtained information which is expected to show that print paper manufacturers have violated the anti-trust law in their operations.

LAURENTIDE.

After the mild burst of activity in Laurentide two weeks ago, when the price was depressed to 176 and then run up again to 186, there has been no trading of any account in the stock. A lone sale of twenty-five shares on Tuesday at 184 was the sole transaction of the week. The quietness in Laurentide gives a very good indication of the general condition of the investment market for pulp and paper shares.

RIORDON.

On only one day during the past two weeks has there been any semblance of interest in Riordon. Tuesday witnessed some selling, which bore the stock down to 110, at which level it was within four points of the low mark registered during the break of February 3. On Wednesday a recovery to 114 occurred.

SPANISH RIVER.

Single small transactions in the shares of the Spanish River Pulp and Paper Company were the sole evidences of life in these securities. The common has been selling of late at 16, with 15½ quoted on Thursday, while the preferred sold early in the week at 52½, a decline of 4½ points from the level of the preceding week.

N. A. PULP.

On Tuesday and Wednesday about a thousand North American Pulp Co. shares changed hands, at prices between 7½ and 8, but for the rest of the week, there has been absolutely no movement in this stock. The contrast with the boom days of November and December is marked.

BROMPTON.

There has usually been some movement in Brompton shares to record each week, this stock being perhaps the most active issue in the pulp and paper group, but this week the lethargy which has overtaken the rest of the market seems to have affected Brompton as well. Only a score or so of shares changed hands. The prevailing price was 54, at which the stock was slightly firmer than it was a week ago.

WAYAGAMACK.

The sagging movement in Wayagamack continues. While the stock was not affected in the decline of February 3, it sold down this week to 82, the lowest point recorded in many months. Something of a sensation was caused during the week when it became known that C. R. Whitehead, former vice-president of the company, had replaced J. N. Greenshields, K.C., as president. Mr. Greenshields was the founder of the enterprise and in the early years gave it a good deal of attention. His retirement is said to have come as a surprise and to be one result of the activities of the new interests which have been gradually buying up a controlling interest during the past six months. Mr. Whitehead is a practical papermaker. At the annual meeting, held this week at Three Rivers, J. W. Pyke was elected vice-president; Alex. Pringle, second vice-president; and G. H. Duggan, Hugh Mackay, Sir William Price, Alex. McLaren and Henning Helin, directors.

ABITIBI.

The approximate figures given elsewhere in this issue show quite convincingly that the Abitibi Pulp & Paper Co., Limited, shared in the general prosperity of the paper concerns the past year. It is expected that the enlarged sulphite mill will be in operation before the end of the year. This will give the company 100 per cent. increased output. The demand for sulphite continues very keen, and there is no indication of any reduction in the market price in the near future.

At the meeting of publishers and manufacturers held recently in Chicago, A. B. Smith,

Continued on page 4.

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UNION BANK OF CANADA

DIVIDEND No. 120

NOTICE is hereby given that a Dividend at the rate of eight per cent. per annum, upon the Paid-up Capital Stock of the UNION BANK OF CANADA, has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Thursday, the 1st day of March, 1917, to Shareholders of record at the close of business on the 14th day of February next.

The Transfer Books will be closed from the 15th to the 28th day of February, 1917, both days inclusive.

By Order of the Board,

G. H. BALFOUR,
General Manager.

Winnipeg, January 18, 1917.

THE MOLSONS BANK

Incorporated by Act of Parliament 1855

Capital Paid Up - - $4,000,000
Reserve Fund - - - 4,800,000

Head Office, Montreal

Besides its 96 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the world offering its clients every facility for promptly transacting business in every quarter of the globe.

Edward C. Pratt, General Manager

NEWS OF SECURITIES

Continued from page 3.

of this company, in the course of a statement, said, according to a press report: "Publishers are bearing the cost of inefficiency in the business of paper making. As a result of this inefficiency paper is not likely to be reduced in price sufficiently to justify the printing of a one-cent paper. Publishers in America and Canada are bearing the burden. The chief reason for the high cost of print paper is mismanagement of the business. This mismanagement has continued for the last twenty years. Capitalists will not invest in the paper making business because they know that this inefficiency exists in the business."

Frank P. Glass, of the Montgomery, Ala., *Advertiser*, read a bond prospectus issued by a Chicago firm for the bonds of the Abitibi Paper Company, which stated that the company is making $15 a ton on paper and the probabilities were that this would be increased to $30 a ton profit. To this Mr. Smith replied:

"I would not go into any paper company that was not making at least $12 a ton. The statement that the Abitibi Company may make a profit of $30 a ton is mere conjecture."

The manufacturers asserted that the increased cost of production justified present prices. Many of the publishers favored an agreement by both sides to abide by any price set by the Federal Trade Commission.

INTERNATIONAL PAPER COMPANY

Dealing with the new issue of stock, *The Editor and Publisher*, New York, has a special article, giving the viewpoint, no doubt, of the consumer. While some of its comments are not justified, yet the whole is of special interest to investors in this and other pulp and paper securities. It says:—

The International Paper Company proposes to increase its stock issue to the full limit of $45,000,000 authorized under its charter, in its plan of refinancing its affairs. This, it is proposed, will be accomplished in two ways. The first is to create a new first and sinking mortgage, bearing 5 per cent. interest, for $20,000,000, to run for a term of thirty years. The second is to pay the deferred dividends on the cumulative preferred stock, amounting to 33½ per cent., or $7,506,214.50, by paying to the holders, should they agree to the plan, 7½ per cent. in cash, 14 per cent. in new preferred 6 per cent. cumulative stock, now selling in the open market at $100 a share, and 12 per cent. in common stock, now quoted at from $42 to $44 a share. The company has outstanding at the present time $22,406,512 in preferred stock and $17,442,800 in common.

It is proposed by the new plan to issue $2,593,300 in preferred and $2,557,200 in common, making the total $45,000,000, in place of the $39,848,500 of both kinds now outstanding. This will increase the stock issue by $5,151,500.

Adding to this the total bonded indebtedness will make the total capitaliaztion and bonds $59,512,000.

It is proposed to issue $7,500,000 of the $20,000,000 bond issue at the present time for the purpose of retiring existing bonds. An increase of 75,000 shares of new preferred stock is to be authorized, to be issued, if required for the conversion at par, of $7,500,000 bonds to be issued under the new mortgage.

The plan of refinancing the affairs of the company will increase the amount of interest it will be necessary for it to earn. The company will further issue, outside of the

Continued on page 7.

The Oxford Permanent Loan and Savings Society

Annual Report for the Year Ending 31st December, 1916.

Your Directors have much pleasure in submitting the Report of the Society for the year 1916.

The total earnings were		$ 56,904.92
Out of which were paid:		
Interest on Deposits, Debentures, etc., including grant to British Red Cross	$ 21,848.35	
Management Expenses, and all War Taxes	7,599.97	
		29,448.32
Leaving a balance of		$ 27,456.60
Which has been distributed as follows:—		
Two half-yearly dividends at six and seven per cent. per annum	$ 18,956.60	
Added to Reserve Fund	8,500.00	
		27,456.60

This makes the Reserve Fund about forty-seven per cent. of the paid-up Capital Stock.

Woodstock, January 19th, 1917. H. J. FINKLE, President.

ASSETS AND LIABILITIES.

LIABILITIES.

To the Public:		
Deposits and Interest	$321,618.28	
Debentures and Interest	248,229.97	
Sundry accounts and balances	256.03	
		$ 570,104.28
To the Shareholders:		
Capital Stock	$291,640.00	
Dividend No. 99	10,207.40	
Unpaid Dividends	73.62	
Reserve Account	136,300.00	
Contingent Account	1,000.00	
		439,221.02
		$1,009,325.30

ASSETS.

By Mortgages on realty	$753,369.53	
" Loans on Society's Stock	19,398.09	
" Loans on Society's Debentures	6,218.15	
" Loans on Municipal Debentures	5,665.00	
" Loans on Stock of other Corporations	1,120.50	
		$ 785,771.27
" Stocks and accrued interest		33,046.63
" Government and Municipal Debentures		126,979.37
" Office Building		6,500.00
" Rents, Office Building		69.08
" Cash		56,958.95
		$1,009,325.30

We hereby certify that we have made an audit of the Books, Securities and Mortgages of The Oxford Permanent Loan and Savings Society for the year ending 31st December, 1916.

The Cash Book, Accounts, Vouchers and Postings from original entries to all the Society's Ledgers have been examined, and we find the same in accordance with the foregoing statement.

Woodstock, Ont., January 16th, 1917.
H. B. SPROAT. } Auditors.
M. J. BROPHY. }

TRANSPORTATION

Freight Congestion a Big Problem Which Raises Many Theories of Solution.

The freight congestion is the big question in transportation circles at the present time. The situation is a very serious one. Not only is there the shortage of coal for domestic and industrial purposes which commands first attention but the general movement of freight has been tied up to such an extent that the effects are becoming more widespread daily. The general attitude of the public is to lay the blame to the railroads. However, there are circumstances which should be taken into consideration. The movement of freight from industrial centres—including munitions—is very heavy. The demand for coal is greater than counted on. The weather has been very unfavorable to rapid movement of trains. And then the companies are no doubt suffering from shortage of rolling stock and motive power which has followed a period in which conditions have not been such as to warrant the purchase of additional equipment and during which the call for munitions workers has taken many expert employees. To sum up there is a demand for transportation facilities which no one foresaw a year or so ago and the facilities over the whole continent are inadequate to meet it. It is evident at the same time that if the companies are to increase their equipment it will necessary for the Railway Commission to consider the question of higher rates. So far as railroad earnings are concerned there is much more lost by maintaining idle rolling stocks than there is in freight lost at such a time as the present. If the public demands more service the public will ultimately have to pay.

That the heavy movement of freight is not reflected in earnings is indicated by the statements of the three big systems for the week ending February 7th, when the increase over a year ago was very small. Following are the figures:

Week Ending Feb. 7.

	1917	1916	Change
C.P.R.	$1,890,000	$1,876,000	+$14,000
C.N.R.	493,600	429,400	+ 64,200
G.T.R.	928,462	937,937	— 9,475
	$3,312,062	$3,243,337	+$68,725

Emergency steps are being taken to secure the movement of more needed supplies but it is questionable if there will be any real relief until after the opening of navigation which should have the effect of relieving the congestion:

The Toronto *World*, edited by W. F. MacLean, and a supporter of Government ownership, points out that the Grand Trunk Railway is being dragged to ruin by the Grand Trunk Pacific. A call is made for an early settlement of the problem and nationalization is suggested as the only solution; this it is argued would benefit the shareholders of the Grand Trunk. In support of nationalization, documents are quoted to show that it is either a case of the Government taking over the whole Grand Trunk system, including the Grand Trunk Pacific, or of paying the Grand Trunk a bonus of $70,000,000.

The railway problem was considered at a meeting in Toronto of retail coal merchants, manufacturers, labor representatives and others, when the following resolution was passed: "In view of the inability of the railways to deliver coal sufficient for the needs of Toronto and other places of Ontario this meeting recommends:

First, that the Dominion Government take over the railways or portions of them in these times of war, as was done in Great Britain, and place them under the administration of a single board, the Railway Commission preferred, so as to secure the greatest efficiency in service that such consolidation and consequent co-operation and coordination would bring about.

Second, that the Ontario Government take all necessary steps to immediately increase the output of hydro-electric energy by the Hydro-Electric Commission, both for power and heat purposes.

Third, that the Dominion Railway Commission in the meantime be requested to increase its efforts to remove the coal and traffic blockade from which the province now suffers.

CANADIAN NORTHERN.

The Canadian Northern Railway system reports gross earnings for the first week in February of $493,600 as against $429,400 for the corresponding period last year, an increase of $64,200 or 15.3 per cent. This increase shows a falling off as compared with the figures for the previous week when the gain was 62.4 per cent. From July 1, to date the earnings were $24,957,700 compared with $19,867,800, an increase of $5,089,900. Comparative figures follow:

	1917.	1916.	Increase.	%
Jan. 7....	$ 598,700	$ 541,100	$ 57,600	10.7
Jan. 14....	646,100	469,300	176,800	37.8
Jan. 21....	658,200	504,000	154,200	30.6
Jan. 31....	929,600	572,400	357,200	62.4
	$2,832,600	$2,086,800	$745,800	37.2
Feb. 7....	$ 493,600	$ 429,400	$ 64,200	15.3

GRAND TRUNK.

The Grand Trunk Railway gross earnings for the week ending February 7, amounted to $928,462 as against $937,937 for the corresponding period in 1916, a decrease of $9,475 or 1.0 per cent., this being the first decrease yet shown for the year. The earnings for each week since the beginning of the year compare as follows:

	1917.	1916.	Increase.	%
Jan. 7..	$1,012,906	$ 880,702	$132,204	15.02
Jan. 14..	1,072,915	966,301	106,614	11.03
Jan. 21..	1,026,907	980,914	45,993	4.7
Jan. 31..	1,564,660	1,459,499	105,161	7.2
	$4,677,388	$4,287,416	$389,972	9.02
Feb. 7..	$ 928,462	$ 937,937	*$ 9,475	1.0

*Decrease.

For the week ending January 21, the gross earnings of the Grand Trunk Pacific Railway amounted to £18,453 compared with £15,846 for the corresponding week in 1916, an increase of £2,607.

CANADIAN PACIFIC.

Gross earnings of the Canadian Pacific Railway for the first week in February showed the smallest gain this year. The earnings were $1,890,000 compared with $1,876,000 for the corresponding period last year, an increase of $14.000 or 0.7 per cent. The figures for each week since the beginning of the year are as follows:

	1917.	1916.	Increase	%
Jan. 7..	$2,228,000	$1,874,000	$ 364,000	19.4
Jan. 14..	2,417,000	1,863,000	554,000	29.8
Jan. 21..	2,215,000	1,910,000	305,000	15.9
Jan. 31..	3,071,000	2,733,000	338,000	12.9
	$9,941.000	$8,380,000	$1,561,000	18.8
Feb. 7..	$1,890.000	$1,876,000	$ 14,000	.7

Doubtless there has been a substantial amount of selling of Canadian Pacific for German account, but it is understood that the chief reason for the recent sharp break in the stock may be found in a well planned bear raid, which apparently went unobserved by the leak committee. The operation provided an opportunity for the investigation committee to learn something further about short selling, while it gave a chance also for important interests to pick up this high grade investment security. More Canadian Pacific stock is held in the United States than ever before in the history of the Canadian Pacific Railway, but it does not appear probable that control could be taken away from London.

At the regular monthly meeting of the C.P.R. board of directors, held at Montreal on Monday last, the usual dividends of two per cent on the preferred, and two and one-half per cent. on the common were declared. The common dividend will be paid on March 31, to stockholders of record March 1st. The preference dividend will be paid March 31, to stockholders of record February 22. Baron Shaughnessy presided at the meeting which was attended by the following directors: R. B. Angus, Sir Edmund Osler, W. D. Matthews, C. R. Hosmer, Sir Herbert Holt, J. K. L. Ross and E. W. Beatty, K.C.

During the week there has been considerable improvement in the market for Canadian Pacific, sales having been made at 155, as compared with a low point last week under 150.

CANADA STEAMSHIPS.

Canada Steamships stock went ex-dividend on Thursday, 87 being asked and 85 bid at Montreal. This stock has had a rather unusual record, having held its own during the recent slump, when nearly every other stock was down several points. It is now within a couple of points of the high price of 95½ of last year, and about level with the high of this year. It is reasonably assured that the company will pay the remainder of the back dividends of 5¼ with the regular 7% dividends this year, so shareholders will receive 12¼% on par, which is equal to 14% on the present cost of the stock.

ELECTRIC RAILWAYS

Trading in the Securities Quiet but Prices Were Generally Well Maintained.

Trading in the securities of the electric railway companies during the week has been of small proportions, these stocks sharing in the general dullness of the market. Generally speaking the traffic of the companies is showing a satisfactory increase, but at the same time there are increasing expenditures required for wages and materials, etc., which are offsetting the benefits. American stocks have been in somewhat better tone following the depression which came with the break with Germany. In Canada interest is being given in several cities to the problem of handling the traffic and complaints from several cities of overcrowding are being considered by governmental bodies. If the companies are ordered to secure additional rolling stock with the present high cost of materials earnings may be somewhat affected. On the other hand electric railway stocks are not susceptible to many of the other influences felt in the market at the present time.

PORTO RICO.

The financial statement of the Porto Rico Railways Company, Limited, for the fiscal year ended December 31 last shows that gross earnings amounted to $829,056, as compared with $747,180 for the previous year, an increase of $81,876. The net income was $421,972, as compared with $380,815 in 1915, an increase of $41,156. After providing for interest charges and dividends on preferred stock surplus earnings were $151,439, which, with undistributed profits of previous year, made total at credit of profit and loss of $200,289, appropriated as follows:—

Transferred to reserve for depreciation	$100,000
Transferred to office site reserve	10,000
Balance carried forward	90,289

NOVA SCOTIA TRAMWAYS.

The brokers in Halifax who have in hand a loose block of the securities of the Nova Scotia Tramways & Power Company, report a good demand for them. They are offering ten shares of the preferred stock with three of the common for $1,000. There is considerable criticism of the company's operation in Halifax in a portion of the press and by a part of the public, but the company stands high as a general rule and there is undoubted confidence in its securities, particularly the bonds and preferred stock. The brokers are offering $40 a share for the common, in case investors are disinclined to have anything to do with the more speculative shares.

MONTREAL TRAMWAYS.

Chairman F. W. Hibbard, K.C., of the Public Utilities Commission, has presented a comprehensive report on the street railway situation in Montreal, the report being adopted in toto by the commission.

The report reads in part:

The causes of the unprecedently serious and prolonged deficiencies, according to the management of the company, were as follows:

(a) An increase of about twenty per cent. in the number of passengers carried, many of them being employed in the munition works situated in the outskirts of the city and contiguous municipalities, thus making comparatively long trips.

(b) A failure of supply of hydraulic power owing to winter conditions, always liable to seriously interfere with this class of power.

(c) A partial failure of the reserve steam power, owing to necessary repairs which became evident in September last, and were not completed at the time of enquiry.

(d) The failure of two contractors to keep their agreements and provide the company with a steam auxiliary plant, which would have afforded it an ample emergent supply of power.

BRAZILIAN TRACTION.

Gross earnings of the Brazilian Traction, Light & Power Company for the month of December amounted to 7,082,000 milreis, as compared with 6,527,000 milreis for the same month in 1915, an increase of 555,000 milreis. Operating expenses amounted to 3,219,000 milreis, compared with 3,115,000 milreis, an increase of 104,000 milreis. Net earnings for the month showed a larger gain than for any previous month during the year, the earnings being 3,863,000 milreis, as against 3,412,000 milreis, an increase of 451,000 milreis. The aggregate gross earnings from January 1, to the end of December were 82,311,000 milreis, an increase of 5,197,890 milreis. Aggregate net earnings for the same period were 45,730,000 against 44,114,420 milreis, an increase of 1,615,580 milreis. Comparative figures showing the net earnings since January compared with the figures for the same period in 1915, follow:

Net	1916 Milreis	1915 Milreis	Change Milreis
Jan.	3,778,000	3,414,190+	362,810
Feb.	3,462,000	3,346,140+	115,800
March	3,717,000	3,588,570+	128,430
April	3,774,000	3,705,770+	68,230
May	4,043,000	3,991,980+	51,020
June	3,864,000	3,896,770—	32,770
July	4,050,000	3,900,000+	150,000
Aug.	3,982,000	3,807.000+	175,000
Sept.	3,703,000	3,705,000—	2,000
Oct.	3,821,000	3,907,000—	86,000
Nov.	3,673,000	3,440,000+	223,000
Dec.	3,863,000	3,412,000+	451,000

Trading during the week has shown little change in the price tendency, the range being from 43 to 44.

ILLINOIS TRACTION.

The gross earnings of the Illinois Traction Company for December last amounted to $1,165,640 as compared with $1,059,665

Continued on page 5.

THE London Life Insurance Company

London, Canada

FORTY-SECOND ANNUAL REPORT

New Business Written		$13,035,945
A Gain of	$1,975,434	
Net Business in Force		41,715,317
A Gain of	6,894,989	
Premium and Interest Income		1,973,780
A Gain of	307,658	
Payments to Policyholders or Heirs		507,583
Increase over 1915	72,288	

The Report shows that the securities have been carried at a figure considerably below the current market value; that all Liabilities have been provided for in the fullest possible manner, in accordance with the Company's usual practice; that the increased profit scale introduced in 1916 is being continued and that the War Claims of $100,000 have been met without in any way impairing the surplus resources of the Company. The five-year profit distributions in 1917 will, on the average, exceed the estimates by 45%.

ANGLINS LIMITED CONTRACTING ENGINEERS MONTREAL
ALL BUILDING WORK, LARGE OR SMALL, RECEIVES OUR BEST ATTENTION

ANGLINS LIMITED

Some of our recent contracts include: Williams Mfg. Co., Loyola College, Toilet Laundry, St. Lawrence Sugar Refinery, Belding Paul Corticelli, Bell Telephone, Canadian Ingersoll-Rand, Canadian Cottons, Penmans Limited, International Mfg. Co.

Our operations have included work in Montreal, Toronto, Ottawa, Quebec, Halifax, St. John, Sherbrooke, Brantford, Cornwall, St. John's, Gananoque, etc.

Estimates, etc., furnished on request.

To Yield 6.30% with safety

A first mortgage bond of an Industrial Corporation carrying on the largest business of its kind in Canada. Assets six times bond issue. Average and Annual Earnings 1913-1916 three times Average Annual Bond Interest.

Particulars and Special Circular on request.

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164 St. James Street - Montreal
12 King Street East - Toronto

Geo. O. Merson & Co.
Chartered Accountants.
807 Lumsden Bldg., Toronto

Assistant to the President

The President of an important Industrial Company wants an assistant who is an expert in accounting—auditing and general—and efficiency work. A man is wanted who can follow up intelligently, investigate and see that work is being efficiently and thoroughly carried out in all departments of the business. Apply President, c/o The Financial Post.

A Large Established Farm Mortgage Loan Company seeks additional loaning connections in Alberta and Saskatchewan.

Supervisor of Western offices will make appointments for personal interviews in February and March.

Address inquiries with full particulars to
"K. N. R., The Financial Post, Toronto, Ontario"

The Mercantile Agency R. G. DUN & CO.

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We Present a Record—Not a Prospectus.

Reputation gained by years of vigorous, conscientious and successful work.

Thomas C. Irving
General Manager Western Canada
TORONTO

NEWS OF SECURITIES

Continued from page 4.

for the same month in 1915, an increase of $105,975. Expenses amounted to $644,829, an increase of $47,365. Net earnings were $520,811 compared with $462,201, an increase of $58,610. For the twelve months the gross amounted to $12,133,885, an increase of $1,115,619, while the net for the same period amounted to $4,708,259, an increase of $307,518. Comparative figures follow:

	1916	1915	Change
December			
Gross	$ 1,165,640	$ 1,059,665 +	$ 105,975
Expenses .	644,829	597,464 +	47,365
Net	520,811	462,201 +	58,610
12 months—			
Gross	$12,133,885	$11,018,266 +	$1,115,619
Expenses .	7,425,626	6,617,524 +	808,012
Net	4,708,259	4,400,741 +	307,518

BARCELONA TRACTION.

Trading in Barcelona Traction at 11⅝-11¾ this week shows practically no change from the close of last week. The company is making a fair showing under the conditions prevailing, but the whole European situation is such that the future must be regarded with considerable apprehension, and this is no doubt reflected by the market.

TORONTO RAILWAY.

Toronto Railway stock has been performing better since the annual meeting, and although a portion of the rise scored on the day of the proceedings, sales at 85 indicate a substantial improvement over 77 at the early part of last week.

The controversy between the city and the company regarding car service continues, and the Railway and Municipal Board seems inclined to the opinion that increased service should be provided. The question of whether the city should take over the system in 1921 is to be submitted to the ratepayers on New Year's next.

WINNIPEG ELECTRIC.

Trading in Winnipeg Electric this week at 78 indicated a decline of 2 points from last week. It was announced on the 14th that the annual meeting of the company to be held on that date had been postponed owing to the fact that the auditors statement had not been completed. The meeting will probably be held on the return to winnipeg of Sir William Mackenzie who is now further West.

DETROIT UNITED.

Following the weakness which came with the general downward tendency of the American market on account of the break with Germany, there has been a moderate reaction in the market for Detroit United, with late sales around 119 as compared with 116-117 at the close of last week.

Ottawa Traction Company, Limited

THIRD ANNUAL REPORT
For the Year Ending December 31st, 1916

OTTAWA TRACTION COMPANY, LIMITED.

DIRECTORS: T. Ahearn, President; Warren Y. Soper, Vice-President; T. F. Ahearn, Elbert N. Soper, Thomas Workman, Col. Geo. P. Murphy, J. F. Smellie, James D. Fraser.

THE OTTAWA ELECTRIC RAILWAY COMPANY.

DIRECTORS: T. Ahearn, President; Warren Y. Soper, Vice-President; T. F. Ahearn, Elbert N. Soper, Thomas Workman, James D. Fraser.
James D. Fraser, Secretary-Treasurer.

Your Directors have much pleasure in submitting their Third Annual Report for the year ending December 31st, 1916, including the operation of The Ottawa Electric Railway Company.

Gross Earnings of The Ottawa Electric Railway Company were	$1,154,912.53
Operating Expenses and Maintenance	670,348.04
Net Earnings	$ 484,564.49
Net Earnings, 1915	383,774.58
Increase, 1916	$ 100,789.91
The net earnings were disposed of as follows:—	
Four quarterly dividends of 3% and a bonus of 3%	$ 281,535.00
Interest on Bonds and Loans	48,301.47
Mileage Payments	16,442.94
Taxes	20,351.80
War Tax	21,143.58
Contingent Account—Depreciation, 1916	65,000.00
Transferred to credit of Profit and Loss	31,789.70
	$ 484,564.49

27,033,778 passengers were carried, compared with 24,361,867 in 1915, an increase of 2,671,911.

The balance at credit of Profit and Loss Account is now $249,504.54, and of Rest Account, $200,000.

The net result of the year is that we have paid the usual dividends of three per cent. quarterly and a bonus of three per cent., also the war tax amounting to $21,143.58, and have written off $65,000 for depreciation, and placed $31,789.70 to credit of Profit and Loss Account.

Business took an upward turn in January and every month throughout the year showed a large increase in receipts over former years. Expenses likewise increased, but not in the same ratio.

The only expenditure of importance in the way of new work or renewals carried out this year was the reconstruction of the tracks an Rideau Street from the west side of Sussex Street to Waller Street, and replacing the old rail with a heavy girder rail. Being in the heart of the system it was a very difficult piece of work to execute. No extensive work of renewals is contemplated the coming year, but the endeavor will be to maintain the tracks, rolling stock, and other properties in a highly efficient state of repair. With traffic increasing in such a ratio as at present we will in the near future require to make a substantial increase in rolling stock equipment.

Your Directors regret to report the death of Mr. Redmond Quain, and desire to place on record their appreciation of his valuable services through many years. He was a Director of the original Company, having been elected in 1891, and remained a director through the different changes of name up to the time of his death.

The valuable and faithful services rendered by the officers and employees of the company are much appreciated by the Board.

A successful year is looked forward to with confidence.

All of which is respectfully submitted.

Ottawa, 5th February, 1917. T. AHEARN, President.

THE OTTAWA ELECTRIC RAILWAY COMPANY

Statement of Assets and Liabilities, 31st December, 1916.

ASSETS.

Roadbed and Equipment, Water Power Property and Plant, Real Estate and Buildings	$3,339,313.11
Cash	6,695.00
Stores	43,010.67
Insurance paid on account of period beyond December 31st, 1916	5,000.00
Accounts Receiveable	1,323.52
	$3,395,342.30

LIABILITIES.

Capital Stock	$1,876,900.00
Firts Mortgage Bonds	425,000.00
Bills Payable	434,100.00
Dividend No. 91, payable January 2nd, 1917	112,614.00
Interest on Bonds, payble January 5th, 1917	8,500.00
Accounts Payable	23,203.09
Unpaid Dividends	520.67
Contingent Account, Depreciation, 1916	65,000.00
Rest Account	200,000.00
Profit and Loss Account	249.504.54
	$3,395,342.30

PROFIT AND LOSS ACCOUNT.

Dividend No. 88.—April 1st, 1916, 3%	$ 56,307.00	
" No. 89.—July 2nd, 1916, 3%	56,307.00	
" No. 90.—Oct. 2nd, 1916, 3%	56,307.00	
" No. 91.—Payable Jan. 2, 1917, 3% and Bonus of 3%	112,614.00	
		$ 281,535.00
Taxes		20,351.80
War Tax		21,143.58
Mileage Payments		16,442.94
Interest on Bonds and Loans		48,301.47
Contingent Account, Depreciation, 1916		65,000.00
Balance at Credit of Profit and Loss, 31st Dec., 1916		249,504.54
		$ 702,279.33

Ottawa, 5th February, 1917.

Balance at Credit of Profit ad Loss, 31st December, 1915	$ 217,714.84
Net Earnings, year ending 31st Dec., 1916	484,564.49
	$ 702,279.33

Certified Correct,

H. T. BURPEE, Auditor.
JAMES D. FRASER, Secretary-Treasurer.

OTTAWA TRACTION COMPANY LIMITED

Statement of Assets and Liabilities, 31st December, 1916.

ASSETS.

17,262 Shares of The Ottawa Electric Railway Company. Par value $100 each	$5,178,600.00

LIABILITIES.

Capital Stock	$5,178,600.00

RECEIPTS AND PAYMENTS—For Year Ending 31st December, 1916.

Dividends received from The Ottawa Electric Railway Co.	$ 258,672.00

PAYMENTS.

Dividend No. 8.—April 1, 1916, 1 %	$ 51,672.00	
" No. 9.—July 2, 1916, 1%	51,702.00	
" No. 10.—Oct. 2, 1916, 1%	51,726.00	
" No. 11 payable Jan. 2, 1917, 1% and bonus 1%	103,572.00	
		$ 258,672.00

Certified Correct,

H. T. BURPEE, Auditor. JAMES D. FRASER, Secretary-Treasurer.
Ottawa, February 5th, 1917.

MINING STOCKS

Influence of Rise in Silver Counteracted to a Certain Extent by the Weakness in Hollinger Consolidated Shares.

Silver metal rose to a new high of 79c. on Tuesday, which put the price on a higher level than has been reached any time since the repeal of the Sherman act in 1893. Ordinarily such a rise would have produced a strong bull market for all mining shares and the silver stocks were actually responding to the influence of the movement, when the disquieting reports with regard to Hollinger began to gain headway, with the result that the whole market has been thrown into an uncertain condition and prices have been shading off.

HOLLINGER.

The weakness in Hollinger, in anticipation of a probable reduction in the dividend rate on the stock, was the big feature of the week in mining circles. The stock, which was selling at $6.50 a week ago, sold off a whole dollar, declining yesterday to the low level of $5.50. There seems no doubt but that the market is simply discounting a cut in the dividend. The company has been experiencing great difficulty in securing and holding labor, and as a result it has become a physical impossibility to maintain production at a level that would warrant the continuance of dividends at the present rate. It is believed that two alternatives were under consideration, one a reduction in dividend; the other, the temporary shutting down of the mine and mill. That the latter course will be followed is unlikely. The company is endeavoring to secure government action to relieve the labor difficulty, which is an indication that they do not intend to close down. At present dividend requirements amount to $246,000 a month, while profits are likely to fall below $220,000. The burden is too heavy, even for a company like the Hollinger, with its big surplus, and a cut in the dividend is not only probable but desirable. At $5.50 any possible reduction has been amply discounted.

BRITISH AMERICAN NICKEL CORP.

The British American Nickel Corporation are having plans prepared for the first unit of a large nickel refinery to be built at Murray Mine, about three miles from Sudbury, Ont. The initial unit will cost approximately $1,500,000, and will consist of two blast furnaces, three converters, and power plant. The buildings, which will comprise the smelter house, machine and blacksmith shops, power houses, etc., will be of brick and steel construction requiring about 2,500 tons of steel. The company purpose using hydro-electric power to the extent of about 5,000 h.p., and all the machinery will be driven by electric motors. The power plant equipment will consist of two 30,000 cub. ft. air compressors for the converters, two blowers of 30,000 cub. ft. capacity for the blast furnaces, also motor generators, switchboard, water tube boilers, pumps, etc. The construction plant is being assembled, and erection will start in the early spring. F. T. Brule, Royal Bank Building, Toronto, engineer for the company, is preparing the various plans.

ADANAC.

A revival in interest in Adanac this week carried the price of this stock from 25 to 31, with a subsequent reaction to 28. A report has been issued on development work on the property by George O. Randolph, the mining engineer. The sinking of the shaft to a depth of 400 feet has now been accomplished. At this level Mr. Randolph is sanguine that values will be found. He cites the case of the Cochrane mine, nearby, which was unsuccessfully worked by former operators on the upper levels, but which developed good values when the shaft was sunk to the contact by the Crown Reserve Co. The recent find on the Beaver at the lower contact are also given as reasons for expecting similar finds at depth on Adanac.

OTHER STOCKS

Ames-Holden.

There has been little trading in Ames-Holden-McCready recently. Transactions in the common early in the week at 19 showed an increase of a point over a week ago, but compared with a high of 23¾ at the first of the year. The preferred at 50 showed no change from the recent level, but compared with 61 early in January.

Lantic Sugar.

The management of the Lantic Sugar Company report that business is very good just now. There is no demand for the stock just now, the latest quotations being $50 for the preferred and $15 for the common, on the New York curb.

A. Macdonald.

The approach of the annual meeting of the A. Macdonald Company, with the probability of interesting developments as regards dividends and the reorganization of the capital has been reflected in some trading. During the latter part of the week the stock moved up to 14¼, which compares with a low of 8 only a little more than a week ago.

Canada Cement.

THE FINANCIAL POST learns that the company's shell contracts have shown a very satisfactory profit. Had conditions been more favorable as regards labor and transportation the company's cement business would have been fully as good as that of last year. As it is, it will not be greatly behind. At present prices Canada Cement stock yields about 10 per cent. The common which closed at 60¼ last week, is about the same this week. The preferred lingers around 91 and 92.

Canada Bread.

There has been practically no change in the situation as affecting Canada Bread. Trading in the securities has been dull. There were a few transactions in the common mid-week at 16½, compared with a previous figure of 17 a week ago, and in the preferred at 85½, compared with 86½ in the latter part of January.

City Dairy.

There is no change in the situation as regards City Dairy securities. The company reports some slight improvement in its affairs as winter passes, but this has not as yet been reflected in market opinion. An asked of 94 for the preferred is the only quotation which has been posted recently

Carriage Factories.

Sales of Carriage Factories at 15 this week compared with 25 a couple of weeks ago, and a high of over 50 last year, reflect the unfavorable nature of the annual statement which has been presented to the shareholders. It is evident that the benefits which were felt from war contracts have passed, while the indications are that the automobile venture has been attended by results which have not been equal to expectations.

Dominion Canners.

There has been some movement in both the common and preferred stock of Dominion Canners in the past few days, though there is no notable change in prices, the quotation on common ranging about 20 to 21. The movement in the preferred has been very light so far this year, the first sale for some time being made on Monday, when fifty shares changed hands at 65. This company has recently sold its interest in the Aylmer Condensed Milk Company, comprising two factories of 1,000 cases daily capacity, to the Carnation Milk Products Company, of Seattle, Washington, manufacturers of Carnation Milk. Reference to the transfer will be found in another column.

General Electric.

A few shares of Canadian General Electric have been changing hands each day without affecting the price level to any extent. Thursday's prices 109-108¾ indicated a slight decline from 110 on Monday, but showed practically no change from the close of last week. The preferred at 106, earlier in the week, duplicated the previous transaction a week before at 106. There have been no developments of importance recently as to the company's affairs.

International Petroleum.

There has been no trading in International Petroleum for a week or so, and the last sales at $12.25-11.60 compare with a high for the year of $14.45. The dullness is believed to be due to the general uncertainty of the international situation, and its reflection upon shipping rather than to any real change in the outlook as regards consumption.

Rogers.

The favorable annual statement of the Rogers Company is evidently taken as a favorable omen in connection with dividend prospects. Sales of the common took place during the latter part of the week at 78-80, which compared with previous transactions at 76. However, the business has been small. The preferred at 90-91 shows practically no change from previous transactions early in the year.

Russell Motor.

Russell Motor common has been a dead issue on the market for some time, there having been no transactions in the common since the 6th of the month, when the price was 82. In the preferred there have been a few sales at 106, showing a decline of about 6 points compared with last week.

Smart-Woods.

The appearance of the annual statement of the Smart-Woods Company was not reflected in the market, there having been no transactions since the 2nd of the month. The improvement in the earnings shown had evidently been fully discounted.

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An absolute guarantee can be procured from National Trust Company, Limited, in respect of sums of $500 and upwards placed with it for investment for periods of three or five years.

This guarantee covers principal as well as income, and is in fact a double guarantee. It is explained fully in our booklet, "Guaranteed Trust Investments," mailed anywhere on request.

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Municipal Bond Sales for 1916
COMPILED, REVISED AND TABULATED FROM OFFICIAL REPORTS
¶ A list of original purchasers, price and income basis of the Municipal Bonds sold in 1916, showing purpose, amount, interest rate and maturity of each issue. The names of the borrowing States, Counties, Cities, etc., are arranged alphabetically by States.
PRICE $5.00 PER COPY
THE BOND BUYER
The Authority on Municipal Bonds
25 WEST BROADWAY NEW YORK, N.Y.

HARRY HORNE COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the first part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 30th day of January, 1917, incorporating Harry Horne, manager, Wilbert Bruce Horne and Edward John Swift, accountants, Richard Horne and Robert Marshall Gibson, salesmen, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To manufacture, buy, sell, refine, prepare, grow, import, export and deal in provisions of all kinds, both wholesale and retail; (b) To manufacture, purchase or otherwise acquire, and to sell or otherwise dispose of any or all kinds of goods, wares, chattels and merchandise, and generally to deal in and deal with all species of property, either movable or immovable, capable of being owned; and to carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (c) To acquire or undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (d) To apply for, purchase or otherwise acquire, any patents, brevets d'invention, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention or process which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (e) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (f) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (g) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (h) To pay for any property, rights and things required by the company or for services rendered to the company in cash, fully paid shares of the capital stock of the company, or its bonds and debentures; (i) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or its predecessors in business, or any person, partnership, association or company allied with the company in business, or subsidiary to the company, or in which the company holds shares or securities, or to benefit the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (j) To amalgamate with any other company having objects similar to those of this company; (k) To invest the moneys of the company not immediately required, in such securities and in such manner as may from time to time be determined; (l) To distribute or divide assets of the company in specie amongst the shareholders; (m) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company; (n) To procure the company to be registered, licensed or otherwise recognized in any foreign country, and to designate and appoint persons therein as attorneys or representatives of the company with full power to represent the company in all matters according to the law of such foreign country, and to accept service for and on behalf of the company of any process or suit; (o) To purchase, lease or acquire and develop water or other power, and to use the same and to lease, sell or otherwise dispose of any surplus thereof; (p) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (q) To pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof, and to employ, contract with and provide for the remuneration of brokers, commission agents and underwriters upon any issue of shares, bonds, debentures, debenture stock or other securities of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Harry Horne Company, Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 1st day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on Feb. 15, in stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active. (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings %	Dividends 1912	1913	1914	1915	Last Dividend Date 1916-7	Rate	Yield to Feb. 8	BANKS	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	Range 1917 to Feb. 8 High	Date	Low	Date	Close Feb. 12 1916 Ask	Bid	Close Feb. 15 Ask	Bid	Week ending Feb. 15 High	Low	Last	Sales
4,866,666	3,017,333	198.175	7 97	8+1	8	8	8	7th Apr.	s. 3	5.35	British North America	150	145	145	145	112	110	112	Jan. 29			145							
15,000,000	13,500,000	461.892	15 70	10+1	10+2	10+2	10+2	30th Nov.	q. 2½	5.34	Commerce	218	199½	205	203	203	183	186⅛	Jan. 31	184⅛	Jan. 11	203			186	186¼	185	185	8
6.000.000	7.000.000	344.439	14 05	12+2	12+2	12+2	12	2nd Jan.	q. 3	5.71	Dominion	233	218	229½	227	220	204	212⅛	Jan. 9	210	Feb. 8	227		211		210¼	210¼	210¼	1
3.000.000	3,300,000	175,821	14 14	11	12	12	12	1st Dec.	q. 3	6.31	Hamilton	207	198	208	201	197	246¾	191	Jan. 2	190	Jan. 22	201							
4,000,000	3.700.000	40.622	13 25	9	9	9	5	1st Dec.	q. 2¼	6.20	Hochelaga	155	149	150	149	149	145	145	Jan. 9	145	Jen. 4	149		145		145	145	145	273
7,000,000	7.000.000	1,089.656	14 73	12	12	12	12	1st Feb.	q. 3	6.03	Imperial	218	210	214	210	203	180	200½	Jan. 11	197½	Jan. 19	210		196		199	196	196	32
1,946,373	300,000	42.791	8 44	6¾	7	7	5	1st Dec.	q. 1¼		Home Bank																		
7,000,000	7.000,000	250.984	13 68	10	10	10	10	1st Feb.	q. 2½	5.88	Merchants	193	177	180	180	180	150	170	Jan. 3	167⅛	Jan. 27	180		170		170	169	170	27
4,000 000	4.800,000	61.300	13 09	11	11	11	11	2nd Jan.	q. 2¾		Molsons	205	194	202	200	195	182	181	Jan. 9	179¾	Jan 23	201							
16.000 000	16.000,000	1,321.193	13 17	10+2	10+2	10+2	10+2	1st Dec.	q. 2½	4.34	Montreal	250	227½	240	234	240⅛	219	234	Jan. 11	232	Jan. 4			232		234	233	234	10
2,000,000	1,900,000	54.843	16 66	7	9	8	8	1st Feb.	q. 2	5.97	Nationale	133¾	131	132¾	132¾	134	134	134	Feb. 5			234							
6.500,000	12,000.000	396,115	18 07	14	14	14	14	31st Dec.	q. 3½	5.49	Nova Scotia	265	257	265	261	261	254	255¼	Jan 7	255	Jan. 6	261		255		255⅛	255¼	255¼	30
4.000,000	4,750,000	246.304	13 28	11¾	12	12	12	1st Dec.	q. 3	5,88	Ottawa	208	201	207	207	204	202					207							
2.735.000	1.000.000	11,795	8 54	7	7	7	7	1st Dec.	q. 1¾		Quebec	122	118	120	119	119	96					119							
11,560.000	12.560.000	676,472	15 57	12	12	12	12	1st Dec.	q. 3	5.63	Royal	228	218	223	221¼	221¼	210	213	Jan. 30	212	Jan. 23	221¼			211	214	211	211	124
3,000,000	4 000.000	651.646	18 78	13	13	13	13	1st Feb.	q. 3¼	6.13	Standard	223½	208½	220	215	221	211¼	215	Jan. 2	211⅛	Feb. 7			211⅛		212	211⅛	211⅛	16
1,198 801	3,000,000	52.184	12 20	6	6	6	6	15th Feb.	q. 1½		Sterling																		
5,000,000	6,000,000	439,378	13 02	11+1	11+1	11+1	11	1st Dec.	q. 2¾	5.78	Toronto	215	203	211	207	215⅛	190	213	Jan. 30	190	Jan. 3	211							
5.000,000	3.400.000	106.972	13 19	8	8	8+1	8+1	1st Dec.	q. 2	5.76	Union	147½	137	140½	140	140	132	140	Jan. 17	137	Jan. 2	140		139	138	140	139	139	44

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Out-standing Common Stock	Out-standing Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1914	1915	1916		Last Dividend Date	Rate	Yield	Company	1914 High	Low	1915 High	Low	1916 High	Low	1917 High	Date	Low	Date	Feb. 12 1916 Ask	Bid	Feb. 15 Ask	Bid	Week High	Low	Last	Sales
27.450 000	10.000.300										Barcelona, T. L. and P.	35⅛	15½	17⅜	7⅜	17	19	17	Jan. 4	11¾	Feb. 8	9	8	11¾	11⅝	11¾	11⅝	11⅝	195
106.217,500	10.000.000		3,822,410	6	6	4	2	1st Dec.	q. 1	9.3	Brazilian Traction L. and P.	92	53½	59¾	45	62⅝	43	47¾	Jan. 2	43	Feb. 8	53		43¾	43¾	44½	43	44	262
				3	6	6	3	2nd Oct.	q. 1½		Brazilian Traction, Pref.																		
12.000.000		9,766,740	108,080								Canada Steamships Lines, Com			20	6	45	16	38	Jan. 4	29¾	Feb. 3	18⅛	18	34	33	34⅞	32	31	1,350
	12,500,000				3½	6	3½	1st Aug.'16	q. 1¾	7.60	" " " Pref			76½	59	95½	89¾	93¾	Jan. 29	89¾	Feb. 1	73⅛	75	87	76	93¾	86¾	93	1,306
260,000,000	80.681.921	234.684.062	208,492,641	7+3	7+3	10	7½	30th Sept.	q. 2½	6.66	Canadian Pacific Railway	219⅝	171½	195½	139¾	182⅛	163¾	163¾	Jan. 17	149⅛	Feb. 8		171		153	155⅛	151	194¾	183
											Civic Investment					83¾	79	82⅜	Jan. 26	78	Feb. 3	82⅛	81	81	80⅞	81	80½	81	1,102
12,500.000		33.485,135	7,767.986	6	6	6	3¼	1st Dec.	q. 1¾	6.03	Detroit United	73¾	55	73	62	128⅛	69	128	Jan. 3	114	Feb. 3			119⅛	119	119⅛	116½	118⅛	756
3.[illegible]00,000	1,500.000	3,262.000	339,156	4½	4	2	p	1st July '15	s. 1	8 5	Duluth Superior Traction Co., Com	67	55	60	55	49	37	50½	Jan. 23	43	Jan. 8								
1,400,000		600,000	921,736	8	8	8	6	2nd Jan.	q. 2	5.00	Halifax Electric- pref	°160	°160			160	160					160							
12.251,400	7.135,500	810,000	1.700,607	2¾	3	3	1⅛	31st Jan.	q. ¾		Illinois Traction, Com.											61							
				6	6	6	4⅛	2nd Oct.	q. 1½	6.81	Illinois Traction, Preferred	95	95	93	91	91	87¾	88½	Jan. 12	88	Jan. 2	91		88		88½	88⅛	88⅛	2
25.000,000											Mexico North Western Railway																		
20,000,000		16.381 333		7				1st Nov.'13	q. 1¾		Mexico Tramways Co																		
25,286,000	12,603,400	[illegible]	14,750,595	7	7	7	3½	15th Apr.	s. 3½	5.73	Minn., St. P. and S.S.M., com	134¾	116½	126¾	116½							125	122						
2.963,970		32,771.487	1.264,166	10	10	10	5	15th Jan.	q. 2½	5 71	Montreal Tramways	230	190	220	220			181	Jan. 5	180	Jan. 16	220							
9,000.000	3,481,600	12.022,000	1,704,720	5	5	5	2⅛	15th July	q. 1¼	6.84	Northern Ohio Traction			73	73														
3,000.000	1,000,000	4,017.667	49,922	4	3			1st July '14	p. 1	9.5	Porto Rico Railways Co., Com	71	45	51	45	49½	30	42	Jan. 27	35	Jan. 3	46							
				7	7	7	5¼	2nd Jan.	q. 1¾		" " " Pref	103½	101			30						60							
9,999.500		10,797,000	347,499					15th Jan.'12	q. 1 p	8.00	Quebec Railway L., Heat & P. Co.	16¾	10	20½	9⅛	45	14	35⅛	Jan. 2	21	Jan. 25	14	13	25⅛	24⅛	25⅝	24½	5	733
966,400			393,791	8	8	10+2		1st Jan.	a. 8		St. Law. & Chi. Steam Nav. Co.	110	°99	130	100							119							
12,000,000		3.482.067	5,841.738	8	8	8	6	2nd Oct.	q. 2	9.41	Toronto Railway	144¾	110	117½	111	111	72	87	Feb. 7	87	Feb. 7	111		85	84	86	74⅛	85	464
9,000.000	3,000.000	12,305,000	535,085	6	6	6	3	2nd Oct.	q. 1½	6 74	Tri-City, preferred			89	89														
22.000,000	3.000,000	20.263.000	6,919.635	6	6	6	4½	1st July	q. 1½	5.31	Twin City, common	108⅛	99¾	101	93	101	93⅜	95	Jan. 3	93	Jan. 15		95	94	93⅛	94⅛	93⅛	93⅛	23
9,000.000		12,021,196	2..018288	12	12	12	10½	1st Jan.	q. 2	10.00	Winnipeg Electric	210½	188	186⅛	180	110	90	81	Jan. 12	78	Jan. 3			78	75	80	78	78	85

TELEGRAPH, LIGHT AND POWER UTILITIES

Out-standing Common Stock	Out-standing Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1914	1915	1916		Last Dividend Date	Rate	Yield	Company	1914 High	Low	1915 High	Low	1916 High	Low	1917 High	Date	Low	Date	Feb. 12 1916 Ask	Bid	Feb. 15 Ask	Bid	Week High	Low	Last	Sales
18,000,000		11.149.000	1,249,135	8	8	8	6	15th Jan.	q. 2	5.36	Bell Telephone	159¼	140¼	159	140	152	140	150	Feb. 5	150	Feb. 5		148	150	146	150	148	149	51
4,882,000			3.234,018	10	10	10	5	1st Oct.	q. 2½	6.06	Consumers Gas	180	169	185	176	176	160	165¼	Jan. 8	164½	Jan. 19		176	165	164½	164⅛	164⅛	164½	33
1.850,000		2,999,813	271.975								Calgary Power	59	53																
41.380,400			1,355,899	5	5	5	3¾	2nd Oct.	q. 1¼	5.74	Mackay, common	88	75	84¼	71	87	78	89½	Jan. 17	83½	Jan. 5	82		87½	87	88	85⅛	87½	384
	50,000,000			4	4	4	3	2nd Oct.	q. 1	6.06	" preferred	71	65½	70¼	65	69¼	64½	68	Jan. 16	65	Feb. 2		67	67⅛	67	67	65⅞	67	51
13.585,000		21,073,833	818,522	4	p	p	p	15th Jan '14	q. 1		Mexican Light and Power Co., com	49⅞	32½	46	46	15	15												
	6.000.000			7	p	p	p	1st Nov. '13	s. 3½		" " " " pref																		
18,77[illegible] 266		10,152,000	5,742,273	9½	10	10	8	15th Feb.	q. 2½	4.73	Montreal Power	230	211	241¾	211	249¾	218					225	223						
3,483,520		1,275,000	765,296	10	8	6½	4⅛	2nd Oct.	q. 1⅛	6 31	Ottawa, Light, Heat and Power Co	172	124	123	120	95¾	92	92	Jan. 17	90	Jan. 8	120							
13,612,500		10.012.762	2 5[illegible] 528	6	6	6	7¼	10th Oct.	q. 1¾	5.51	Shawinigan Water and Power Co	142¾	111	139½	110	137	126¾	130½	Jan. 2	123⅛	Feb. 3	132	131	127	125⅛	127	126	126	327

INDUSTRIALS AND MISCELLANEOUS

Out-standing Common Stock	Out-standing Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1914	1915	1916		Last Dividend Date	Rate	Yield	Company	1914 High	Low	1915 High	Low	1916 High	Low	1917 High	Date	Low	Date	Feb. 12 1916 Ask	Bid	Feb. 15 Ask	Bid	Week High	Low	Last	Sales
3,5[illegible].000		960,000	203.236								Ames Holden McCready Co., com	16	6	23	7⅞	35	19½	23¾	Jan. 3	16	Feb. 3	22	21⅛	19	17	19	18	19	100
	2.500,000			7	5¼			1st July '14	q. 1¾	14.00	" " " pref	70¼	54	75	55	80½	52	61	Jan. 9	50	Feb. 5		73⅛	51	49	50	50	50	110
1 88,900			1,591,599	7	7	7	3⅛	21st Nov.	s. 3½	8.75	British Col. Packers, com																		
	357,500			7	7	7	2	21st Nov.	s. 2	6.19	" " " pref	143½	111	124	105	147½	58						113						
750.000			336,266	6	5½	4	2	2nd Jan.	q. 1	4.44	F. N. Burt Company, com	88	67	72½	70	88	72	78	Jan. 31					79	75	78	78	78	6
	1.975.200			7	7	7	3⅛	1st Oct.	q. 1¾	7.69	" " " pref	100	89	75	89	96	86	91	Jan. 18	90	Feb. 3	94		91	89	91	89	89	64
2,500,000	1.250,000	1,209,300	234,164								Canada Bread, com	33	18½	31⅛	29	30	16½	17	Feb. 6	16	Jan. 16	30		16⅛	16	16⅛	16¼	16¼	75
				7	7	7	5¾	1st Oct.	q. 1¾		" " pref	92	89½	90¼	90	90	87	86½	Jan. 5	86⅛	Jan. 5	90		86	85	85⅛	85½	85⅛	2
1,177.500	602,450	301.750	151,553								Canada Machinery																		
13,500,000		7.448,680	2,675,233					16th Jan.	q. 1¾	11.66	Canada Cement, com	32	28	48½	28	73	37¾	69⅞	Jan. 4	56½	Feb. 3	48	47⅛	59¼	58⅛	61	58	58	1,224
	10.500,000			7	7	7	3⅛	16th Feb.	q. 3	13.00	" " pref	93	98½	98½	89¾	98	86	95¾	Jan. 6	90	Feb. 3		92	92¾	91⅛	92	91½	91¾	86
3,975.000		9.072,698	1.573,798	4	2			2nd June '14	s. 2d	13.33	Canadian Car and Foundry, com	70	48	120	50	75	32	46⅛	Jan. 4	25¾	Jan. 19	75	73	30	27	29	26	28	67
	7,000,000			7	5¼			1st Apr. '16	q. 1¾	10.00	" " " pref	109½	98	127	98	94	61¾	89	Jan. 3	60	Jan. 13	98		70	68	70⅛	68	69⅛	605
1,733,500		399.000	202,290	4	4	1	1	22nd Dec.	q. ½	5.00	Canadian Converters	40	34	34	34	46	34	40	Jan. 20	40	Jan. 20	34		41		40	40	40	60
2,715,500		4,811,000	1,437,926	6	6	6		22nd Dec.	q. 1	[illegible].54	Canadian Cottons, Limited com	39	24	40	24	65	39	56	Jan. 3	51	Feb. 5	40	38⅛	54	50	52⅛	52½	52⅛	212
	3 661,500						14½	4th Oct.	q. 1⅛	7.67	Canadian Cottons, Limited, pref	79	70⅛	77	71	82⅛	75⅛	82	Jan. 19	78	Jan. 5	76⅛	74	79		79	78	78	43
1,600 000	1,500,000		697,836	6	6	6	3	15th Dec.	s. 3		Canadian Fairbanks-Morse, pref.	92	92	95	95														
960,000		151,900	895,316			10	12	15th Feb.	q. 3	6.66	Canadian Foundries & Forgings, co					217	170	205	Jan. 4	180	Feb. 1								
	960,00[illegible]			7		7+3½	7	15th Feb.	q. 1¾		" " " pref					90	85												
2,000,000	1,500,000	1.545,000	142.807								Canadian Locomotive Co., com	45	30	64⅛	30	64⅛	51	58	Jan. 2	52⅛	Feb. 3	62		57	54	54	52⅛	52⅛	212
				7	7	7	5¾	2nd Oct.	q. 1¾	8.33	" " " pref	°90⅛	85	90	78	99	81	89	Jan. 22	84	Feb. 8		86	90	89	90	89	90	42
2,805,500		5.097,000	2,862,397	4	4			15th Oct. '15	q. 1	4.08	Can. Consolidated Rubber, com	91	91	91	91	91	81	97⅛	Jan- 30			91							
	3,000,000			7	8¾	7	5¼	1st Jan.'17	q. 1¾		" " " pref	°97	96⅛	101	100	97	91	96	Jan. 6	96	Jan. 6								
8,000,000		1,367.751	3.707.119	7	7	7	5¼	2nd Oct.	q. 1¾	6.36	Canadian General Electric, com	114⅞	90¼	128	90¼	121	108	115⅛	Jan. 24	105	Feb. 1	111	110	110	109	110	108¾	109	299
	2.000,000			7+1	7	7	3⅛	1st Apr.	s. 3½	7 29	" " " pref			110½	110	112	110	106	Feb. 1	94½	Jan. 31				106	106	106	106	10
1,200.000		500,000	353,391								Carriage Factories. Limited, com			53⅛	35⅛	44	29¾					40¼	40⅛	15⅛	15	15	15	15	150
	1,200,000					½		15th July '15	q. 1⅛		" " " pref			81	75	75	60												
565000		65.918	96,889	7	8	8	6	3rd July	q. 2	9.09	City Dairy, com	102	98	100	98	98	89					98							
	700,000			7	7	7	5¼	3rd July	q. 1¾	7.21	" " pref.	101¾	98	102	98	100½	92												
6 500,000			749,100	8	7¼	5¾+3	4	15th Feb.	q. 2	3.77	Dominion Bridge Co	122½	107	230	107	231⅛	160	170	Jan. 4	130	Feb. 3	222	221¾	145	134	140	140	140	10
752,200		1,878,000	180,813	6	3	1p	p	1st Apr. '14	q. 1½		Dominion Canners, com	68⅝	27½	35	31	22	15	23	Feb. 7	19	Jan. 3	31		21	20	21	19¾	20	105
	2.290,600			7	7	7	1¾p	1st Apr. '15	q. 1¾	10.76	" " pref	96	80			65	61⅛	65	Feb. 3						65	65	65	65	50
32,097,700	7,000,000	25 669.076	6,784,844	4	1	p	p	2nd Jan. '14	q. 1	6.34	Dominion Steel Corporation, com	41⅞	19⅞	51	19⅞	82	43	71⅛	Jan 4	52¾	Feb. 3	44⅛							
	5,000,000	14 286 106		7	3⅛p	p	7	2nd Oct.'16	q. 3½		Dominion Iron and Steel, pref.	°94	68	96	71	105	90	95	Jan. 3	92	Jan. 2	100		92		91	91	91	203
15000,000	3,000,000	6 482 500		7	7	7	3⅛	1st Feb.	s. 3½	7.36	Dominion Coal, pref	106	97⅛	101	98	99	93	96⅛	Jan. 22	93⅛	Jan. 23	101		59¾	59½	61½	59½	60	2205
5,000,000		3,697.775	881,926	6	6	6	4½	31st Dec.	q. 1½	7.40	Dominion Textile, com	86⅝	60	77	64	90⅛	74⅛	82	Jan. 6	76½	Feb. 13	77⅛	77		80	80	80	80	22
	25,975			7	7	7	5¾	31st Dec.	q. 1¾	6.73	" " pref	106⅛	100	103	101	105	101	104	Feb. 8	102¼	Jan. 9			103	103⅛	103	103		29
1,750,500		1,200,000	331.136								Goodwins, Limited, com	28	₀23	28	26	40	40					26							
	1,250,000			7	7	5¼d		25th July '14	q. 1¾		" " pref	°82	74			75	40					75							
747,500		285,000	799,367	6	6	6	3	2nd Oct.	q. 1½		Goulds Manufacturing Co., com	97¾	97¼																
	747,500			7	7	7	6	2nd Oct.	q. 1¾		" " " pref																		
40,000.000		8,643,000	25.072								Lake Superior Corporation	22⅝	6⅝	9⅞	9⅞														
2,100 000		900,000	935,994	10	8	8	4	1st Dec.	q. 2	6.46	Lake of Woods Milling Co., com	135	127	137	129	136⅛	122	130	Jan. 2	125	Feb. 5	135⅛							
	1,500,000			7	7	7	3⅛	1st Dec.	q. 1¾	6 03	" " " pref	120	120	122	120	129	116	116	Jan. 31										
9,600,000		753,807	701.624	8	8	8	6	2nd Jan.	q. 2	4.32	Laurentide	192¾	160	198	160	217⅛	176	195	Jan. 5	176	Feb. 3			185	180	184	184	184	25
1,750,000		1,130,500	82,830		2⅛						Lyall Construction Co., com					93	25	69	Jan. 4	65	Jan. 15								
	1,300,000										" " " pref																		
3,000.000	1,766,800	200,000	247,710								A. Macdonald Co. com.	21¾	8	14	7	19⅛	10	13½	Jan. 15	8	Jan. 5	10	9	15		14⅛	13	14¼	790
2,500,000			1,034				6	18th Jan.	q. 2	8.16	Maple Leaf Milling, com	47⅜	25	68	30⅛	122	100	103	Jan. 6	90	Feb. 3		73	97⅛	96⅛	103	95	95	62
	2,500,000			7	7	7	5¼	18th Jan.	q. 1¾	7.36	" " " pref	101	98	98	88	108	93	98⅝	Jan. 23	93	Feb. 2	98		97		95⅜	95	95	146
2,949,600		856,664	2.170,170	4	4	4	2	15th Sept.	q. 1	7.69	Montreal Cottons, Ltd., com	58	56	56	51	63	50	58½	Jan. 4	50¼	Feb. 6								
	3,000,000			7	7	7	3⅛	15th Sept.	q. 1¾	6 79	" " " pref	103	97¼	100⅛	99	115	99	103	Jan. 24	102	Jan. 4								
1,275,000			194,889	6				1st Nov.'13	q. 1⅛	15.00	Monarch Knitting Co., com	40	25	27	25	40	25⅛	40	Jan. 2	35	Jan. 3		25⅛	40	35	40	40	40	38
	750,000			7	7	7	3⅛	1st Feb.	q. 1¾	8.75	" " pref	90	82	82	82	83	80	81	Jan. 10	80	Jan. 2			80		81	81	81	15
6,000,000		9,833,309	2,110.609	6	4½			15th July '14	q. 1½	5.82	Nova Scotia Steel, com	79	39	107	45¾	154⅛	93¾	128	Jan. 4	91	Feb. 3	98	96	104	101	106	103	103	252
	1,030,000			8	6	12	2	15th Jan. '16	q. 2 p	7.14	" " " pref	120	110	125	110	115	110	112	Jan. 4	112	Jan. 4	110							
2,500,000		2,350,000	512,061	8	8	8	6	2nd Oct.	q. 2	5.71	Ogilvie Flour, com	123	107	144	107	152	127⅞	142	Jan. 15	138⅛	Feb 7	140	133		138	139	137⅛	139	265
	2,000,000			7	7	7	3½	1st Dec.	q. 1¾	6.30	" pref.	117	105	120	113	116	44½	115	Jan. 19	111	Feb. 6			114	111	111	111	111	25
750,000		600,000	78,039								Ont. Steel Products, com					45	19	34	Jan. 4	25	Feb. 6								
	750,000					3	7	15th Feb.	q. 1¾	9.09	pref					91⅛	73												
650,000			42,472	2	2	2	2	2nd Jan.	s. 1	6.89	Pacific-Burt Co. com	32	°28	31	28	29	20	29	Jan. 13	28	Jan. 9				30	30	30	30	25
	650,000			7	7	7	2⅛	2nd Jan.	q. 1¾	8.75	" " pref	85	82½	85	80	83¼	77⅛	80⅛	Jan. 9	80⅛	Jan. 9	83			86	81	81	81	2
2,150,600		2,000,000	1.719.899	4	4	4	2	15th Feb.	q. 1		Penmans, Limited, com	55⅛	48	62	49	78	60	71	Jan. 4	70	Jan. 8		62						
	1,075,000			6	6	6	3	1st Feb.	q. 1⅛	7.31	" " pref	84¼	79⅛	83	82	90	82	85	Jan. 6	82	Jan. 23	82			85	85	83	83	22
5,000,000		5 804,862	2 100,240								Price Bros	60	70			132	60⅛	120	Jan. 5	106	Feb. 3	60							
4,500,000	1,000,000	1,533,000	375 634	7	7	7	3½	15th Feb.	q. 1¾	6.14	Riordan Pulp and Paper, com					150	59	127	Jan. 3	117	Jan. 6			117⅛	114	114	110	112½	275
1,500,000			688.499	12	12	8	6	1st Jan.	q. 1½	6.97	William A. Rogers, Ltd., com	147	96	103	96	99	85					98			78	80	76	80	36
	900,000			7	7	7	7	1st Oct.	q. 1¾	7.77	" pref	106	99	99	99	99	87	92	Jan. 4	85	Jan. 4	99		93	90	91	90	91	12
800,000			Def. 703,364	1¾				1st Feb.'13	q. 1¾	8.53	Russell Motor Car, com	20	5	50	10	114	32	92	Jan. 4	70	Feb. 3		33						
	1,200,000			5¾				1st Aug.'13	q. 1¾	6.25	" " " pref	49	25	76	25	139	66	1.5	Jan. 14	100	Jan. 15		66		103	106	106	106	25
1.500.000		691,200	39,245								Sawyer-Massey Co., com	30	25	33	25	30	20					27⅛							
	1,500,000			7	3½			2nd June '14	q. 1¾	7.78	" " pref	88	69	76	69	134½	58					74⅛							
4,000,000		1,950,000	1,080.988								Sherwin-Williams, com	60¼	53	57½	55	99⅛	53⅛	59	Jan. 8	56	Feb. 5				59	59	59	59	2
0	3,000,000			7	7	7	3⅛	15th Dec.	q. 1¾	7.00	" " pref	104	97	100	98¼	100	97⅛	100	Jan. 6	98	Jan. 11								
8,750,00			450,597	6	6	6	4⅛	1st July	q. 1½	4.51	Shredded Wheat, com.	90¼	78	102	92	140⅛	102¼							139	135	136	436	136	30
	1,250,000			6	6	6	4½	1st Apr.	q. 1½		" " pref	°94	°92½	99	93	120	95												
1,718,600			417,716	5	2⅛p			1st Apr. '14	q. 1¾	10.00	Smart-Woods, Ltd., com	20	18	15	20	65	33	55	Jan. 12	50	Jan. 12								
	1,547,000			7	5¾p		5¾	31st Dec.	q. 1¾	6.93	pref			45	20	101	84												
8,000,000		5,332,113	226,860								Spanish River Pulp Mills, com	16¾	9	9⅝	3	24¼	3½	19	Jan. 4	13	Feb. 2	5	3	16	15	16	15½	15⅛	231
	5,699,100			3⅛P				15th July'13	q. 1¾	12.28	" " " pref	°51	31	35	35	70	29	59¼	Jan. 11	51⅛	Feb. 5	35			53⅛	55	52½	52¼	57
11,500,000		10,050,000	4,272.453								Steel Co. of Canada, com	20	11	48	8⅛	88¼	34¼	71⅛	Jan. 4	52	Feb. 3	39¾		58⅛	57⅜	60	57⅞	57⅞	1,142
	6,496,300			7	3⅛p	7	5¾	1st Aug.	q. 1¾	7.44	" " " pref	87⅜	69	95	69	107¼	82⅛	100⅛	Jan. 2	94	Feb. 3			95	94	95	92⅛	94	135
650,000											Tooke Bros., com	26	15	18	16	25	16						87½						
	985,000		71,518	7	7	3⅛	1¾p	30th Nov.'16	q. 1¾	9.33	" " pref	81	75			83	78	79	Jan. 4	79	Jan. 11								
750,000		500,000	120,673	1.88	6¾	1⅛p		3rd July	s. 2	5.40	Toronto Paper Co	61	30	45	25	96	44	74	Jan. 23	72	Jan. 16		46						
2,500,000			218,962								Tuckett Tobacco, com	47	29	29¼	29	25	23½	22½	Jan. 18	20	Feb. 7	29							
	2,000,000			7	7	7	5¾	16th Jan.	q. 1¾	8.53	" " pref,	101	90¼	90	90	90	75	83⅛	Jan. 18	81⅛	Feb. 6	90							
5,000,000		3,500,000	691,225								Wayagamack com	32⅜	21	26½	26			95	Jan. 11	85	Feb. 7				81⅛	82	82	82	110

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and loss; +—indicates bonus; b—means bond; p—preferred stock; d—debentures; °—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1913, and December 1, 1914.

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1916	Last Dividend Date	Per cent.	LOAN AND TRUST	Range for Year 1915 High	Low	Range for year 1916 High	Low	Latest Price Ask	Bid	Last Sale
1 205,000	4.204,756	1,182,595	9	1st Oct.	q. 2¼	Canada Landed	162	157⅛	163	157⅛		159	159
6.000 000	22,452 063	4,929,525	10	1st Oct.	q. 2½	Canada Permanent	188	183	183	168⅝		170	171
1,750,000	6.225.008	1,773,242	10	1st Oct.	q. 2⅛	Central Canada	190	190			190		
2,452.867	725.667	403,966	6	31st Dec.	s. 3	Col. Investment, pref.	8[illegible]	78	76	70		75	77
934,395	1,062,481	240,929	5	2nd July'15	s. 2½	Dominion Savings	81	81	80	80		81	73
2,410,925	2,458,063	685,002	8	2nd July '15	s. 4½	Great West Per							89½
1,200.000	2.598,876	1,014,033	8	31st Dec.	s. 4	Hamilton Provident	140⅛	135	140	138		141	
2 458,414	11.516,497	2,940,662	12	31st Dec.	q. 3	Huron and Erie	211	209	214	209		209	200
978,500	1,914.623	728,163	8	31st Dec.	s. 4	Landed Banking	147	147	145	144		145	147
1,250,000	3,112,314	748,734	8	3rd July	q. 2	London and Can. Loan	136	131	135	132		134	131
[illegible]	1,761.804	341.690	1⅛+8	1st Jan. '16	q. 1⅛	London Loan and Sav							
600,000	275,170	785,277	10	15th Nov.	q. 2½	Montreal L. & Mtg. Co.	176	165	175	160			165
1,500,000	6,986,233	1,573.860	10	31st Dec.	q. 2½	National Trust	233	233	210	210	223		210
1.750,000	4,457 590	1.800,012	9	31st Deu.	q. 2¼	Ont. Loan and Deb.	173	179	175	169		175	160
500 000	65[illegible],690	226.408	7	31st Dec.	s. 3½	Real Estate Loan							103
1,500,000	32,104,[illegible]88	1,848,813	10	31st Dec.	q 2½	Toronto Gen. Trusts	210	291½	212	205½		211	213
724.550	88719 25	527,834	8	31st Cec	q. 2	Toronto Mortgage Co	[illegible]38	1[illegible]8	140	134		140	130
1,000.000	1,344,920	937.661	5	1st Apr 16	q. 2⅛	Toronto Savings							185
1,000,000	7,00,1000	991,336	10	30th Dec.	q 2½	Union Trust							178
1,000 000		5 946.27	4	1st Ap. r	s. 4	Canada Life Assurance							170

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividends 1916	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range for year 1915 High	Low	Range for Year 1916 High	Low	Latest Price Ask	Bid
1.500,000		1,894,179	5	1st Oct	s. 5	Canadian N. Prairie Lands						
800,000	300,000	395,959	p	1st Oct. '15	q. 2	Canadian Salt	115	110	140	124	135	120
59,133		1,752,420	5	13th Mar.	5	Can North-West Land						
		2,390.163	20	30th Dec.	q. 5	Confederation Life A.			350	330	335	320
6,212.667		531,499	6	1st June	1¼	Crows Nest Pass Coal	100	100	83	71	[illegible]	
1,000.000		291,961	6	15th Oct.	q. 1⅛	Dominion Telegraph			90	86		90
3,000,000	3,984.500	77.642				Electrical Dev., pref						
450,000	p2.909.000	1,458,082	10	3rd Oct.	q. 2⅜	Imperial Life Assur						
500.000	b 232,000		p	1st Mar.'12	s.2	Intercolonial Coal						
	p 219,700	797,531	p	1st Mar.'12	s.3⅛	Intercolonial Coal, pref						
3.000.000		513,930		1st Mar. '14	1	Intern. Coal and Coke						
2,196.000	2,000,000	421,140	6	15th Nov.	q. 1⅛	Kaministiquia Power						
556,000	b 666.000	109.976	3	3rd Jan.	s. 3	London Street						
2,000,000		118,225	8	15th Oct.	q. 2	Montreal Telegraph			136	135		135
925,000	b1,123,000	248.379				Nia., St. Kath. and Tor						
1,000,000	b1,250,000	176.188				Saint John Ry				—		
1 164,000	b 756,500	199,996		10th July'15	q.1⅛	Trinidad Electric	105	100				
2.124,700	1,598.057	575,484	8	15th Dec.	q. 2	W. Can. Flour Mills	[illegible]	[illegible]	118½	102		
800,000	b 600.000	541,374	5	1st Oct.	q. 1¼	West India Electric						

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and loss; +—indicates bonus; b—means bond; p—preferred stock; d—debentures; °—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1913, and December 1, 1914.

DIVIDENDS DECLARED.

The Canadian Bank of Commerce

DIVIDEND NO. 120

NOTICE is hereby given that a quarterly dividend of 2½ per cent., upon the capital stock of this Bank has been declared for the three months ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st March 1917, to shareholders of record at the close of business on the 14th day of February 1917.

By Order of the Board,

JOHN AIRD,
General Manager.

Toronto, 19th January, 1917.

The Royal Bank of Canada

DIVIDEND No. 118

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of Twelve per cent. per annum) upon the Paid-up Capital Stock of this Bank, has been declared for the current quarter, and will be payable at the Bank and its Branches on and after THURSDAY, the FIRST DAY OF MARCH next, to Shareholders of record of 15th February.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, P.Q., January 16, 1917.

Bank of Montreal

NOTICE is hereby given that a DIVIDEND OF TWO-AND-ONE-HALF PER CENT., upon the paid-up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Thursday, the FIRST DAY OF MARCH next, to Shareholders of record of 31st January, 1917.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 23rd January, 1917.

Canadian Pacific Railway Company

DIVIDEND NOTICE

AT a meeting of the Board of Directors, held to-day, the following dividends were declared:—

On the Preference Stock, two per cent. for the half-year ended 31st December last, payable 31st March next to Stockholders of record at 3 p.m., on 22nd February instant:

On the Common Stock, two and one-half per cent. for the quarter ended 31st December last, being at the rate of seven per cent. per annum from revenue and three per cent. per annum from Special Income Account, payable 31st March next to Shareholders of record at 3 p.m. on 1st March next.

By order of the Board,

ERNEST ALEXANDER,
Secretary.

Montreal, 12th February, 1917.

Lake of the Woods Milling Co., Ltd.

Dividend Notice

NOTICE is hereby given that quarterly dividends of 1¾% on the Preferred Stock and of [illegible]% on the Common Stock of Lake of the Woods Milling Company, Limited, have been declared, payable on March 1st, 1917, to Shareholders of record at the close of business on Saturday, February 24th, 1917.

By order of the Board,

R. NEILSON,
Secretary.

Hollinger Consolidated Gold Mines Limited

(No Personal Liability)

DIVIDEND No. 57

THE regular four-weekly dividend of 1% upon the outstanding capital stock has been declared payable 26th February, 1917, on which date cheques will be mailed to shareholders of record at the close of business on 17th February, 1917.

Dated 10th February, 1917.

D. A. DUNLAP,
Secretary-Treasurer.

McKinley-Darragh-Savage Mines of Cobalt, Limited

Notice of Dividend

NOTICE is hereby given that the Board of Directors of this Company, at a meeting held on the 8th day of February, 1917, declared the regular quarterly dividend of three (3%) per cent., payable on the first day of April, 1917, to stockholders of record at the close of business on the 10th of March, 1917.

The transfer books of the Company will not be closed.

McKINLEY-DARRAGH-SAVAGE MINES OF COBALT, LIMITED,
HARPER SIBLEY,
Treasurer.

Dated at Toronto, Ontario, Feb. 8th, 1917.

LABOR SEEKING TO KEEP WAGES AT HIGH LEVEL

Significant Motive Behind Demand of Garment Workers.

EFFORT FAILS IN TORONTO

Organization of Manufacturers Successful in Meeting Situation—Report That Enemy Influence is at Work.

The threatened strike of the garment workers in Toronto, which is seemingly doomed to failure, is interesting at this time, not particularly because of its importance in relation to the general industrial situation, but because it reflects conditions of unrest which are undoubtedly more or less general, and which may be responsible for more serious problems in the near future.

Speaking to FINANCIAL POST on Friday morning, Jas. G. Merrick, secretary of the Employers' Association, said: "The reasons behind the organizing of the garment workers and the demands made upon the manufacturers are said to have been partly a desire on the part of some German-American organizers to tie up the making of military clothing—trousers, overcoats, etc.—and partly the desire to perpetuate the present unreal conditions of labor, wages, etc., in the reconstruction period that will follow the war. The manufacturers here, fearing this, took time by the forelock, and organized. They picked Montreal, where there was little organization, as an easier victim.

"In Toronto the tension is relaxed, and so far as I know not a single employee went out. All the shops have not adopted the 44-hour week here; 46½ or 47 probably will be the average. But this really does not matter, as in the garment trade it is practically all piece work, and hours do not really enter into piece work.

"So far as wages are concerned, the shops have been putting them up all the time, but there has been no general increase this time.

Unions Must Not Control Shops.

"Now, so far as the unions are concerned the manufacturers don't care whether a man belongs to the union or not; they do not object to the union so long as it does not bring its organization into an attempt to control the shops."

Mr. Merrick added that word had reached him from Montreal that the French and Italian workers had broken away from the International organization, which has headquarters in the United States.

At Montreal about 2,000 garment workers are on strike. The strikers are members of the International Ladies' Garment Workers' Union; the manufacturers are associated together in the Cloak and Suit Manufacturers' Protective Association of Montreal. The dispute has been in existence since the last week of January, and at the time of writing was expected to terminate in a week or so.

Allan J. Boyd, alias Frank O'Connor, who was arrested at Montreal, four years ago, in connection with a swindling transaction, and sent to the penitentiary, is in the toils again. This time he is charged with having defrauded E. Ball, of Magog, out of $400. Boyd has been operating in the Eastern Townships for some time and apparently with considerable success. The vehicle which he used to lure the reluctant dollar from the jeans of the people of that part of the country was a concern known as the Quick and Sure Manufacturing and Filtering Co., Ltd. The results have been quick and sure only as far as Boyd is concerned. The charge on which Boyd was sent to the pen. before was of swindling a man out of stock certificates valued at $4,000.

ABITIBI EARNED TEN PER CENT ON COMMON

A Very Satisfactory Year Indicated in the Company's Annual Statement.

The shareholders of the Abitibi Power and Paper Company heard a very satisfactory statement at the annual meeting which was held at Montreal on Monday last, but it was decided not to give out any figures for publication. The FINANCIAL POST understands, however, that after allowing for a full year's dividend on the preferred stock, but before making any allowance for depreciation or other writing off, the earnings of the company approximated ten per cent. on the common stock. The company only began paying dividends on the preferred stock the latter part of last year, making one quarterly payment of 1¾ per cent.

The net profits were about $600,000, which is a substantial increase over last year. The total amount now at the credit of profit and loss is $500,000. The amount carried forward was $220,000, while about $365,000 was appropriated for depreciation.

It was stated at the meeting that the enlarged sulphite mill would be completed early in May, while the company's other installations were reported to be coming along in a very satisfactory manner. When completed, these extensions will double the capacity of the company's output of paper.

OTTAWA MAKES STATEMENT RE WOOL INDUSTRY.

Continued from page 1.

pared by members of these associations was then classified by expert wool graders, supplied free of charge to the associations by the live stock branch.

In view of what has been done and the progress which has been made in the past three years, objection is taken by the officials to the statement that nothing is being done for the encouragement of the industry by the Federal authorities.

It is pointed out that wool growers' associations are now organized in every province of the Dominion.

In the first year, 1914, there were nine associations, through which 201,217¾ lbs. of wool was graded, with an average price per lb. throughout the Dominion of 20.7 cents. The total revenue received from sale of same was $20,393.58. In the second year, 1915, eleven associations offered 322,905 lbs. of wool for grading, the average price per lb. being 27.2 cents, while the total revenue amounted to $88,056.49. In the third year, 1916, twenty-six associations made application for their wool to be graded by this branch.

Another step forward is the cooperative movement, in association with the co-operative sale of wool, has been the introduction of lamb sales by the live stock branch. Recently in the county of Antigonish, N.S., 1,200 head of lambs were disposed of by co-operative sale, and it is understood that 1,500 lambs are still in the finishing stage on the farms to be disposed of in the same manner. The association was well satisfied with its first sale. An average price per lb., live weight, of 7½c was obtained for the entire number offered, while for the lambs, sold outside the association, 7½c per lb. was the highest price paid, this being only, however, for the best quality of lambs. The males, of which there was a large proportion, as also the inferior stock, brought much less per pound.

LIGHT AND POWER.

Continued from page 3.

$7,500,000 in mortgage bonds, a sum of $727,000 for retiring two small issues of bonds maturing in 1919, and the sum of $8,373,000 is to be reserved under restrictions to provide for extensions to the plant, new property, improvements, and construction from time to time. It would appear from the plans of the company that its present interest charges, including that on preferred stock, and interest to be paid on the $8,373,000 reserved for future use, will be approximately $3,000,000 yearly.

It is said, by men conversant with the cost of paper manufacture, that the International Paper Company is capitalized on a basis of about $50,000 per ton of production per day.

The Tariff Board, in its 1911 report, stated that the lowest actual balanced mill examined, for necessary capital per ton per day production, was $15,000. In general terms, the report stated that under normal conditions a 100-ton-a-day plant should be capitalized on a basis of about $17,000 per ton per day of production. If the cost of water storage, or facilities for extra grinding were included, the total might be increased to $20,000 per ton per day of production. The Tariff Board found that from 50 to 60 cents per ton would cover interest charges, should working capital not be charged to investment.

Mr. Dodge maintains that the market price of paper was formerly too low, and cited as evidence that the old price of news print did not pay interest on the investment of the preferred stock of the company. The preferred stock is cumulative, on a 6 per cent. basis. That is to say, if it does not pay dividends one year, the 6 per cent. becomes an indebtedness. If the holder of one share, the par value of which is $100, does not get $6 in interest one year, that amount is owed on that share. Back indebtedness, on this basis, is owed to the preferred stockholders to-day to the amount of $33.50 a share.

Under the new financing plan, a holder of sufficient preferred stock, to be entitled to back dividends of $33,500, would get $7,500 in cash, $14,000 in newly issued 6 per cent. cumulative preferred stock, now selling in the market at $100 a share, and $12,000 in common stock, now selling around $42 to $44 a share, but which, according to officers of the International Paper Co., has never earned any dividends.

The capitalization of the International Paper Co. may be compared with a manufacturer of nails, whose capital and outstanding indebtedness amounts to $59,000, and who is competing with a concern capitalized at $20,000—each turning out the same product, at the same cost. Manifestly, the man with the lower capitalization can sell for less than the other, and the man with the higher capitalization must get more for his product, if he would earn the same interest on his stock, dollar for dollar of capitalization. Failing to do that, his stock would earn less money per share. The International Paper Co. is capitalized for $45,000,000, with $14,512,000 in bonds, bringing its total capital and indebtedness up to $59,512,000, or more than twice the amount a well-balanced mill should be organized for, on the basis of its capital stock, according to the Tariff Board, and almost three times as much, when the bonded indebtedness is added to the total authorized capitalization.

It is said by a man familiar with the facts, that the International Paper Co. has about four times the water power necessary, on which, of course, it places a value, and on which it is expected to earn dividends. In other words, it is only using about 25 per cent. of its water power.

The company owns in fee about 1,200,000 acres in timber lands, and has license to cut timber from 2,800,000 acres of crown lands in Canada. The lands owned by the corporation are worth more in actual money than the leased lands, since they represent a larger outlay, while the licensed lands are obtained by the payment of a fee. On the other hand, there should be greater profit in cutting timber from licensed lands, since the initial investment is not nearly so large.

It is claimed that the company has about four times the amount of timber lands necessary to its present production, which amounts to something like 500,000 tons yearly, the bulk of which is news print. Much of the timber land was obtained, it is claimed, on a speculative basis, as far as its future use is concerned.

It is obvious, of course, that the policy of the company in providing for the future, through securing great reserves of timber land and water power, is one of far-seeing wisdom, and intended to protect the industry and the interests of the company; but it has been pointed out that the great outlay in these directions should not be a charge upon the present price of paper. Publishers should not be required to pay now, in increased prices for news print, for the investments of the corporation which have been made with a view to easing manufacturing conditions twenty or thirty years from now.

The International Paper Co. operates sixteen mills in the United States, a number of which manufacture news print and other grades of paper. In Canada it operates saw mills, which convert into lumber the timber of certain areas, the smaller wood being utilized in the production of wood pulp. The property owned in fee, or outright, by the corporation and its subsidiaries, comprises manufacturing plants and water power located in New York, New Hampshire, Massachusetts and Maine.

The following information is given to the Standard Statistics Co. in its report on this company, dated December 29, 1916: "On December 18, 1916, it was stated that net profits of this company for October were around $850,000. This is the first month of the final quarter and during this period the company is expected to earn a balance of $2,500,000, or within $500,000 as much as it has been in a habit of earning in the past during an entire year's operations. This $850,000 net for October is the largest for any month in the company's history. It follows profits of only $400,000 per month no farther back than July. The prospect is that by December the rate of earnings will be between $950,000 and $1,000,000 per month."

The Travellers Life Assurance Company of Canada

HEAD OFFICE - - MONTREAL

ANNUAL STATEMENT, DECEMBER 31st, 1916

Assets	$ 346,814.76
Liabilities	242,546.68
Surplus to Policyholders	104,268.08
Subscribed, Uncalled Capital	486,660.00
Total Surplus Security to Policyholders	$ 590,928.08
Assets Increased 22 Per Cent.	
Being 2½ times the amount of Liabilities.	
INCOME FOR 1916.	
Net Premiums	$ 122,890.03
Interest	15,031.67
Other Income	8,450.00
Total Income	$ 146,271.70
Premium and Interest Receipts Increased 21 Per Cent.	
Payments to Policyholders	27,665.53
Expenses	63,748.70
Total Disbursements	$ 91,414.23
Policies Issued and Revived during 1916, 1,112 Policies representing	$1,582,983.00
Insurance in Force, December 31st, 1916, 2,520 Policies representing	4,743,730.00
Reinsurance in other Companies	1,024,339.00
Net Amount in Force	$3,719,391.00
An Increase for the year of	$ 427,187.00
Net Insurance in Force Increased 13 Per Cent.	
Interest Earned on Investments, including Cash in Bank	6.42%
An Increase of .16 Per Cent.	

OFFICERS:

President	Hon. George P. Graham, M.P.
Vice-Presidents	Jas. W. Pyke, Lorne C. Webster.
Secretary and Actuary	Arthur P. Earle, A.I.A., A.A.S.
Chief Medical Adviser	A. E. Garrow, M.D.

FOURTH ANNUAL REPORT

The Waterloo County Loan and Savings Company

WATERLOO, ONTARIO

Financial Statement to December 31st, 1916

PROFIT AND LOSS ACCOUNT

DR.

Interest on Deposits	$15,077.08
Interest on Debentures	6,259.36
Commission Account	1,459.78
Expenses, including Provincial and Municipal Taxes, War Tax, Salaries, Rentals, Printing, Advertising, etc.	11,818.87
Dividend No. 5	10,461.79
Dividend No. 6	11,183.40
Carried to Reserve Fund	12,000.00
Carried to Contingent Account	3,000.00
Balance Profit and Loss	1,878.04
	$73,138.23

CR.

Balance brought forward	$ 2,456.81
Premium on Stock	4,305.00
Earnings on Mortgages, Government, School and Municipal Debentures, Office Rentals, etc	66,376.42
	$73,138.23

ASSETS AND LIABILITIES

ASSETS.

Mortgages	$ 545,282.56
Municipal, Government, School and other Debentures	415,796.99
Loans on Securities	11,757.85
Office Premises	12,500.00
Other Real Estate owned by Company	17,773.95
Cash on Hand and on Deposit	73,567.61
	$1,076,678.96

LIABILITIES.

To the Public:		
Savings Deposits	$414,218.27	
Debenture Accounts	202,619.32	
		$ 616,837.59
To the Shareholders:		
Capital Stock paid up	$382,779.93	
Reserve Fund	60,000.00	
Contingent Account	3,000.00	
Dividend No. 6, payable January 2nd, 1917	11,183.40	
Balance Profit and Loss	1,878.04	
		459,841.37
		$1,076,678.96

THOS. HILLIARD, President.
P. V. WILSON, Manager.

To the President, Directors and Shareholders of The Waterloo County Loan and Savings Company:

Gentlemen: We beg to report that we have made a regular monthly audit of the books of account and vouchers of your Company for the year ending 31st December, 1916, and that we find the same correct and according to the statement herewith submitted.

In our opinion the balance sheet referred to in this report is properly drawn up, so as to exhibit a true and correct view of the state of the Corporation's affairs as shown by its books.

Respectfully submitted,
J. M. SCULLY, F.C.A.,
J. SCULLY. } Auditors.

Waterloo, Ontario, 22nd January, 1917.

ONTARIO LOAN AND DEBENTURE COMPANY

The Forty-Sixth Annual General Meeting of the Shareholders of this Company was held on Wednesday afternoon, 14th instant, at the Company's Offices, London, Ontario.

The chair having been taken by the President, Mr. John McClary, the Manager, Mr. A. M. Smart, who acted as Secretary, read the notice calling the meeting and the minutes of the last Annual Meeting, which, upon motion, were confirmed.

The Annual Report was then presented, as follows:

London, Canada, 26th January, 1917.

To the Shareholders:

The Directors have great pleasure in presenting the forty-sixth Annual Report of your Company for the year ended 30th December, 1916.

The policy of keeping comparatively large cash reserves has been continued throughout the year. The Directors are confident of the approval of this by the Shareholders although it involves their being content with more moderate profits than would otherwise have been possible.

The burdens devolving on Canada, by reason of the deplorable war, continue to be easily carried. High prices of farm products make up, to some extent, for a considerable shortage in quantity, and the foreign trade of the Dominion for the year has resulted in the largest favorable balance in its history.

As set out in detail in the Revenue Account hereto annexed, after payment of all Provincial and Municipal Taxes, Interest, Expenses and Charges, and after provision for possible losses and contingencies, your Company's

Net earnings for the year 1916 are		$268,603.51
Balance brought forward from previous year		50,012.11
From this total available		$318,615.62
Dividends (Quarterly) at the rate of 9% per annum have been paid	$157,500.00	
Transferred to the Reserve Fund	100,000.00	
		257,500.00
Balance		$ 61,115.62
Dominion Government War Revenue and Business Profits Tax:		
Retroactive, applicable to 1915	$ 1,922.08	
For the full year 1916	5,599.98	
		7,522.06
Balance carried forward		$ 53,593.56

The usual continuous audit of your Company's transactions throughout the year has been conducted by the Auditors and their certificate accompanies the Financial Statement.

It is proposed to submit for the Shareholders' consideration and adoption, revised and amended By-laws, a copy of which is being forwarded to each Shareholder with this Report.

Your Directors acknowledge the care and attention with which your Agents in Great Britain have devoted themselves to your welfare in connection with the Sterling Debentures of the Company.

They also bear testimony to the efficient manner in which the Officials and Staff of the Company have discharged their respective duties.

All of which is respectfully submitted.

JOHN McCLARY, President.

DR. FINANCIAL STATEMENT CR.

REVENUE ACCOUNT.

Interest on Sterling Debentures		$ 85,748,62
" Currency Debentures		54,919.72
" Deposits		35,499.91
Taxes, Provincial and Municipal		8,216.10
Expenses connected with Debentures		3,810.88
Commissions and Expenses in connection with Loans		18,082.26
Expenses of Management		32,042.53
Dividends to Shareholders (9% per annum)		157,500.00
Transferred to Reserve Fund		100,000.00
Dominion Government Special War Revenue and Business Profits Tax:		
Retroactive, applicable to 1915	$1,922.08	
For the full year 1916	5,599.98	
		7,522.06
Balance carried forward		53,593.56
		$556,935.64

Balance from last year	$ 50,012.11
Interest earned on Mortgages, Rents, etc.	506,923.53
	$556,935.64

LIABILITIES.

To the Public:		
Sterling Debentures	$1,821,934.69	
Currency Debentures	1,183,323.02	
Interest accrued on Debentures	35,176.13	
Deposits	942,742.69	
		$3,983,186.53
To the Shareholders:		
Capital Stock (subscribed, $2,550,000) paid up	$1,750,000.00	
Reserve Fund	1,850,000.00	
Dividend No. 118 (since paid)	39,375.00	
Balance at Credit of Revenue Account	53,593.56	
		$3,692,968.56
		$7,676,155.09

ASSETS.

Mortgages, etc., on Real Estate	$6,320,355.21	
Less amount retained to pay prior mortgages	788.34	
		$6,319,566.87
Government Bonds, Municipal Debentures and Stocks owned		772,928.92
Loans secured by Stocks and Debentures		26,067.22
Loans secured by this Company's Stock		441.56
Real Estate foreclosed or bought to sale		82,840.45
Office premises (freehold)		69,000.00
Cash with Banks in Great Britain		119,707.07
Cash with Banks in Canada		285,602.40
		$7,676,155.09

A. M. SMART, Manager.

To the Shareholders of The Ontario Loan and Debenture Company:

We hereby certify that we have audited the books and accounts of The Ontario Loan and Debenture Company for the year 1916, including a monthly cash audit and the verification of the entries and balances in all the Company's books, and we find the whole correct. We have also examined the securities and find them in order.

All our requirements as Auditors have been complied with and in our opinion the above statements are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, as shown by its books.

London, Ontario, 26th January, 1917.

F. G. JEWELL, C.A.
J. F. KERN. } Auditors.

Upon motion of Mr. John McClary, seconded by Mr. A. M. Smart, the Annual Report was adopted.

A resolution confirming the action of the Directors in subscribing $3,000 to The London Branch of the National Patriotic and Red Cross Fund was passed.

The Scrutineers were then appointed and the election of Directors proceeded with, Messrs. John McClary, A. M. Smart, Thomas H. Smallman, Lieut.-Col. William M. Gartshore, John M. Dillon, M. Masuret, Thomas P. McCormick and C. R. Somerville being re-elected for the ensuing year.

It was moved by Mr. J. T. Moses, seconded by Mr. A. B. Greer, that Messrs. Frank G. Jewell, C.A., and John F. Kern be and are hereby re-elected Auditors of the Company. Carried.

The meeting then adjourned and at a meeting of the Board of Directors held subsequently Mr. John McClary was re-elected President and Mr. A. M. Smart, Vice-President of the Company.

Investors' Information Bureau

Any subscriber to The Post may write the Investor's Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail.

This service is free to subscribers, but inquirers should enclose stamp for reply.

Northern Crown Bank

HEAD OFFICE, WINNIPEG

Capital (authorized)	$6,000,000
Capital (paid up)	$1,431,200
Reserve	$ 715,600

DIRECTORS.

President, Sir D. H. McMillan, K.C.M.G.
Vice-president, Capt. Wm. Robinson.

Jas. H. Ashdown, W. R. Bawlf, A. McTavish Campbell, Sir Douglas Cameron, K.C.M.G.; E. F. Hutchings, John Stovel.

General Manager — Robert Campbell
Supt. of Branches — L. M. McCarthy

Four Branches in Alberta, seven in British Columbia. Twenty-one in Manitoba. Twenty-five in Ontario, Fifty-one in Saskatchewan. A total of One Hundred and Eight Branches throughout Canada.

V. F. CRONYN,
Manager - - - Toronto Branch

"An Example to be Followed"

The following is an unsolicited testimonial received a few days ago from the Secretary-Treasurer of a Western city (name on request):

"I have just to-day received the auditor's report and enclose herewith copy of the balance sheet for you to publish in your journal. As I informed you last year, we can hardly afford not to publish our annual statement in these strenuous times."

CANADIAN S.K.F. COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 23rd day of January, 1917, incorporating Allan Harrison MacCaffray, gentleman of the City of Hartford, in the State of Connecticut, one of the United States of America; Percy Oscar Gordon Janes, gentleman; James Daniel Becking, student-at-law, John Sidney Smith, law clerk, and Edmund Almond, bookkeeper, all four of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To manufacture, purchase, sell, import or export, or otherwise deal in goods, wares and merchandise of any nature and description, particularly ball bearings and machines, apparatus and appliances useful or necessary in connection therewith; to sell, use or otherwise dispose of the same; to act as the agent for others in the purchase, sale or use of the same; (b) To acquire the good will, rights and property, and to undertake the whole or any part of the assets or liabilities of any person, firm, association or corporation, carrying on a business similar in whole or in part to that of this company; to pay for the same in cash, the stock of this corporation, bonds or otherwise, to hold or in any manner dispose of the whole or any part of the property so purchased; to conduct in any manner the whole or any part of any business so acquired, and to exercise all the powers necessary or convenient in and about the conduct and management of such business; (c) To apply for, purchase, or in any manner to acquire, and to hold, own, use and operate, or to sell or in any manner dispose of, and to grant license or other rights in respect of, and in any manner deal with, any and all rights, inventions, improvements and processes used in connection with or secured under letters patent or copyrights of the Dominion of Canada or other countries, or otherwise, and to work, operate or develop the same, and to carry on any business, manufacturing or otherwise which may be deemed directly or indirectly to effectuate these objects or any of them; (d) To guarantee, purchase, hold, sell, assign, transfer or otherwise dispose of, the shares of the capital stock of, or any bonds, securities or evidences of indebtedness isued or created by any other corporation or corporations, country, nation or government, and while owner of said stock may exercise all the rights, powers and privileges of ownership, including the right to vote thereon, to the same extent as natural persons might or could do; (e) To draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants and other negotiable or transferable instruments and evidences of indebtedness; (f) To carry on any business similar in character to that expressly provided for herein, or useful for the extension or in the transaction thereof, whether manufacturing, merchandising, mining or otherwise; (g) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company (or its predecessors in business) or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful objects; (h) To promote any company or companies for the purpose of acquiring or taking over all or any of the property and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (i) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company, if authorized so to do by the vote of a majority in number of the shareholders present or represented by proxy, at a general meeting duly called for considering the matter and holding not less than two-thirds of the issued capital stock of the company; (j) To invest the moneys of the company not immediately required in such manner as may from time to time be determined; (k) To distribute among the shareholders of the company in kind any property of the company, and in particular any shares, debentures or securities in any companies which the company may have power to dispose of; (l) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books, pamphlets, and periodicals and by granting prizes, rewards and donations; (m) To do any or all of the things herein set forth as principals, agents, contractors or otherwise, and either alone or in company with others. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Canadian S. K. F. Company, Limited," with a capital stock of fifty thousand dollars divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 24th day of January, 1917.

THOMAS MULVEY,
Under-Secretary of State.

MONEY, BANKING AND EXCHANGE

Bank Clearings for the Whole Dominion Showed a Gain of 16.2 per cent.—In the West 28.2 per cent., and in the East 12.1 per cent.

Official reports made to the FINANCIAL POST of bank clearings for the week ending Thursday last, as compared with the corresponding period a year ago, showed a gain of 16.2 per cent. In the West the gain was 28.2 per cent. and in the East 12.1 per cent. The cities in the West which showed the largest gains were, Regina 40.4; New Westminster 39.4; Lethbridge 37.0; Winnipeg 31.6; Saskatoon 29.4; Edmonton 29.0; Vancouver 26.2; Medicine Hat 25.4 and Moose Jaw 20.5. In the East St. John 35.0; Quebec 22.9; Brantford 21.3; Halifax 18.5; Peterboro 17.5 and London 15.7. There were only two cities in the Dominion to show a decline, these being Ottawa of 2.6 per cent. and Brandon 8.4 per cent. For the year to date the gain was 22.0 per cent.

WEEKLY BANK CLEARINGS.

As compared with same week last year.

Eastern Cities.

	Feb. 15, 1917.	Change.	%
Montreal ...	$ 62,335,857+	$ 6,484,153	11.6
Toronto	47,869,381+	5,244,840	12.3
Ottawa	4,007,174—	107,358	2.6
Hamilton	3,763,077+	369,127	10.9
Quebec	3,400,571+	632,783	22.9
Halifax	2,467,675+	385,754	18.5
London	1,787,111+	236,679	15.7
St. John	1,751,837+	451,973	35.0
Brantford ...	634,959+	111,749	21.3
Peterboro ...	453,204+	67,430	17.5
Total, East...	$128,470,946+	$ 13,877,130	12.1
Sherbrooke ..	513,166		
Kitchener	470,742		

Western Cities.

	Feb. 15, 1917.	Change.	%
Winnipeg ...	$ 30,143,170+	$ 7,234,898	31.6
Vancouver ..	6,009,756+	1,247,985	26.2
Calgary	3,706,114+	544,557	17.2
Edmonton ...	2,249,733+	504,015	29.0
Victoria	1,381,415+	81,790	6.3
Regina	2,144,607+	614,759	40.4
Saskatoon ...	1,235,895+	281,096	29.4
Moose Jaw ..	918,886+	156,266	20.5
F. William ..	446,392+	26,656	6.3
Brandon	401,348—	37,038	8.4
Lethbridge ..	491,509+	132,540	37.0
N. Westm'ter.	243,039+	68,569	39.4
Medicine Hat.	271,634+	75,193	25.4
Total, West...	$ 49,743,498+	$ 10,931,286	28.2
Grand total..	$178,214,444+	$ 24,808,416	16.2
Year to date	~~$1,467,416,250~~+	$265,093,925	22.0

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U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending February 8 aggregate $6,845,733,000, against $5,147,152,000 last week and $4,221,354,000 in this week last year, an increase of 62.5 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:

(000's omitted)

	Feb. 8	I or D	Feb. 1
New York	$4,458,823	I 73.1	$3,016,880
Chicago	477,643	I 44.2	446,803
Philadelphia ..	384,185	I 66.8	290,883
Boston	291,699	I 61.6	201,181
St. Louis	120,342	I 37.8	117,665
Kansas City ...	121,212	I 53.0	120,855
S. Francisco ..	82,457	I 47.6	83,762
Pittsburgh	79,780	I 36.8	73,275
Cleveland	58,169	I 70.8	60,433
Detroit	48,777	I 57.9	49,636
Baltimore	38,550	D 4.5	40,521
Cincinnati	38,772	I 33.3	40,402
Minneapolis ...	24,374	I 3.3	25,764
New Orleans ...	44,400	I 83.0	29,443
Los Angeles ...	30,705	I 41.1	28,959
Omaha	30,590	I 39.1	30,916
Milwaukee	24,752	I 15.5	31,553
Atlanta	21,687	I 25.9	21,544
Louisville	26,283	I 32.0	22,547
Richmond	24,304	I 49.8	21,925
Buffalo	16,334	I 29.8	16,083
Seattle	16,425	I 64.5	16,496
St. Paul	11,020	D 11.7	11,909

MONEY.

Call money in New York has been firm and unchanged all week, the rate ruling from 2½ per cent. to 3 per cent. Call money in London, on the other hand, has been quoted at slightly higher rates, the price rising from 4½ per cent. to 5 per cent. This rise was expected to occur as soon as the subscription books to the war loan closed.

EXCHANGE.

The course of the market for New York funds during the week has been extremely interesting. The rate reached a 1 per cent. premium last Saturday; reacted to 15/16 per cent. premium on Monday; held around ⅞ per cent. premium on Tuesday and Wednesday, and dropped sharply to ¼ per cent. premium on Thursday, following heavy selling of exchange by Montreal. Yesterday's price was around a 5/16 per cent. premium. As the rise was probably accentuated by the demand for New York funds in connection with the purchase of United Kingdom bonds, so the decline is attributed to the prospect of new financing by the Canadian Government. If the next war loan is made payable in New York, that will mean that the Government will have a large credit available in that market against which it can sell exchange whenever conditions warrant. During the recent advance it is understood that the Finance Minister sold several millions of New York funds.

Demand sterling is steady and practically unchanged at 4.75 7-16. Cables are also unchanged at 4.76 7-16. The situation is being kept well in hand by the British financial authorities.

Marks have been rather weaker. Demand, after opening at 69⅜, fell to 67 11-16, and closed yesterday at 68⅛.

Roubles, after opening at 29.90, declined to 28.60. Further weakness in Russian exchange is to be anticipated, as there is no immediate likelihood of that country restoring the balance of trade to more normal proportions.

DUTCH BANK IN S.A.

European Neutral Getting Grip on Southern Trade.

The Dutch Bank for South America, which established its first foreign branch in Buenos Ayres a year and a half ago and its second in Rio de Janiero about a month ago, is entering upon an extensive plan for gradual expansion. It is expected that a third branch will be opened in Valparaiso as soon as the staff is engaged. With these three branches in the three South American countries of the greatest importance in Dutch trade as a nucleus, an extensive system gradually will be built up. Branches will probably be opened before long in Montevideo, Sao Paulo, Bahia, Pernambuco, and other cities. It is reported that one of the greatest difficulties experienced in connection with the opening of these new branches is the scarcity of men trained for the particular kind of work required.

Holland's interests in South America have increased tremendously since the outbreak of the war, largely on account of the many South American securities that have found their way here from one or another of the belligerents and because of Holland's further search for profitable investments for its surplus gold. The Netherlands purchase large quantities of Chilean saltpeter, Argentine grain, and Brazilian coffee. One function of the new bank will be to finance these various shipments.

The Dutch Bank for South America commenced with a capitalization of $3,200,000. This, however, will be gradually increased as new branches are opened. No dividends were declared during the first year. Supporting this bank are several large Dutch banking institutions and interests, chief among which is the Rotterdamsche Bank Vereeniging, which has a capitalization of about $20,000,000 and is one of Holland's largest and strongest financial institutions.

MOLSONS BANK.

P. H. O'Malley, accountant of the branch at Highgate of the Molsons Bank, has been transferred to the branch at Ridgetown.

Chester Taylor of the Ridgetown branch will succeed Mr. O'Malley at Highgate.

UNION BANK.

H. B. Carter, inspector of the Union Bank at Toronto has been appointed to succeed Mr. Hamilton as eastern superintendent of the bank. Mr. Hamilton was recently appointed asistant general manager at Winnipeg. Other changes announced are: George Wilson, formerly manager in Toronto, goes to New York; D. M. Neeve, manager in Winnipeg, goes to Toronto; P. Vibert, inspector in Winnipeg, succeeds Mr. Neeve, and W. M. Chandler of Saskatoon, goes to Winnipeg as inspector.

ROYAL BANK.

H. F. Rees, manager of the Royal Bank of Canada at Kelowna, was recently elected president of the Kelowna Board of Trade at the regular annual meeting. Mr. Rees thanked the members of the board for the unanimous and hearty manner of his election and with characteristic energy went directly into the problems confronting the board, asking the earnest co-operation of all in the work for the advancement of the district.

BANK OF COMMERCE.

H. H. Morris superintendent of Pacific Coast branches of the Canadian Bank of Commerce, has been elected chairman of the Vancouver sub-section of the Canadian Bankers' Association.

George V. Holt, manager of the Canadian Bank of Commerce at Vancouver, who recently returned from a trip to New York and Chicago, thus refers to conditions as he found them. The spending mania in New York has been written up so much that, while Canadians may not exaggerate it, they are liable to misinterpret its meaning. In the first place it is not typical. The only extravagance in your second city, Chicago, is manifested by labor classes whose wages have been raised again and again to unprecedented levels, but your workman is not indulging himself any more than our prairie farmer is. It is only human to enjoy life lavishly when one gets the first opportunity to do so. There is no riot of high living in either country except in a few spots.

WEYBURN SECURITY.

The Weyburn Security Bank, announces a quarterly dividend of 5 per cent. per annum, and also a stock dividend of the same amount which will be issued to shareholders on and after February 21.

BANK OF NOVA SCOTIA.

The retirement is announced of Daniel Waters, assistant general manager of the Bank of Nova Scotia. Mr. Waters has been connected with the bank for 37 years, over 24 of which have been spent in its head office in the capacities of inspector, chief inspector, superintendent of branches and since the beginning of 1906 as assistant general manager. J. A. McLeod, has been appointed to succeed Mr. Waters as assistant general manager. Mr. McLeod entered the bank at Summerside, P.E.I., over 30 years ago as a junior clerk and since that time has served at many of its offices. Among his more important appointments before joining the head office staff five years ago, he had filled the positions of manager at the St. John's, N'f'l'd, branch; Boston, Mass,; Havana, Cuba, and Chicago.

BANK OF B.N.A.

Lieut. F. S. Long, manager of the Bank of British North America, at Calgary, who has been granted leave of absence to go on active service, was recently presented with a purse of gold by the bank's customers.

The Bank of British North America has resolved to declare, subject to audit at the meeting of shareholders to be held on March 6, a dividend payable April 5, of 40 shillings per share, less income tax. This would be at the rate of 7 per cent. per annum, and will permit the bank to carry forward about £21,000 to the new account.

MONTREAL C. & D.

Richard Bolton has been elected vice-president of the Montreal City and District Savings Bank, in succession to the late Hon. Robert MacKay, and the two vacancies on the board have been filled by the election of Hon. Sir Evariste Le Blanc, Lieutenant-Governor of the Province, and Henry Haig Judah, as directors.

NORTHERN CROWN.

J. M. Campbell, manager of the Northern Crown Bank at Red Deer, has resigned his connection with the bank, to take effect as soon as possible after March 1. It is understood that Mr. Campbell intends to go more extensively into the life insurance agency work, to which he has devoted some time lately as an agent for the Great West Life.

The directors of the Northern Crown Bank announce the resignation of Sir Daniel MacMillan as president of the bank, owing to a probably long-continued absence from Winnipeg, and his consequent inability to give the business of the bank the necessary attention. Sir Daniel is succeeded as president by Capt. Robinson, with J. H. Ashdown as vice-president.

C. A. R. Warren, manager of the Royal Bank at Welland, has been transferred to the branch at Niagara Falls. Mr. McGowan, formerly manager of the Quebec Bank at Montreal, succeeds Mr. Warren as manager at Welland.

POOR SHOWING MADE BY CARRIAGE FACTOREIS

Profits Were Barely Sufficient to Pay the Company's Bond Interest.

In view of the generally satisfactory industrial conditions prevailing, as reflected in the statements of manufacturing concerns, the showing of Carriage Factories for the year ended November 30th is a disappointing one. Profits shown are barely sufficient to pay bond interest. The annual report as presented to the shareholders makes no comment upon the poor showing, nor is there any forecast as to the future. It seems evidence, however, that the orders which were received for war supplies brought abnormal profits and that these have not been continued. Also it would seem that the automobile venture has not been very successful.

In 1915 subsidiary companies made a profit of $295,703, but during 1916 these profits were reduced to $34,789. There is even a reduction in the interest charges to the subsidiaries from $13,560 in 1915 to $11,545 last year.

This left total profits for the year of only $46,334 against $309,263 in 1915, after deducting head office expenses, etc., the profits were reduced to $33,454, a decrease of $266,776, and after bond interest the profits available for dividends were only $4,144, as against $267,230 in 1915.

The trading and profit and loss account compares with 1915 as follows:

The balance sheet shows few material changes. Investment account has advanced from $61,107 to $138,556, and inventories from $935,155 to $1,295,284, while the cash on hand is about $12,000 higher.

On the other side of the sheet bank loans have increased from $758,357 to $1,122,455 and bills and accounts payable from $164,399 to $303,032.

Your Banking Service

All who have Banking business, of whatever nature, to transact, will find the modern Banking Service offered by the Bank of Toronto most satisfactory. Long experience, ample resources, extensive foreign and domestic connections enable us to provide adequate facilities for the management of business accounts.

THE BANK OF TORONTO

INCORPORATED 1855

Head Office - - TORONTO, CANADA
Paid-Up Capital - $5,000,000 Reserve Funds - - $6,508,000

DIRECTORS.
W. G. Gooderham, President.
J. Henderson, Vice-President.
William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. S. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler.
Thos. F. How, General Manager. John R. Lamb, Supt. of Branches.
T. A. Bird, Chief Inspector.

Bankers.—NEW YORK—National Bank of Commerce. CHICAGO—First National Bank. LONDON, ENG.—London City and Midland Bank, Limited.

THE HOME BANK OF CANADA

ORIGINAL CHARTER 1854

NOTICE OF QUARTERLY DIVIDEND.

Notice is hereby given that a dividend at the rate of five per cent. (5 p.c.) per annum upon the paid-up capital stock of this Bank has been declared for the three months ending the 28th of February, 1917, and that the same will be payable at the head office and branches on and after Thursday, the 1st day of March, 1917. The transfer books will be closed from the 14th of February to the 28th of February, 1917, both days inclusive.

By order of the Board, J. COOPER MASON,
Toronto, January 17th, 1917. Acting General Manager.

Mercantile Trust Company of Canada
LIMITED
Hamilton, - - - Canada

Acts as Executor, Administrator, Trustee, Guardian.
Correspondence invited.
Write for Booklet on our Guaranteed Investments, which are authorized for trustee funds.

Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

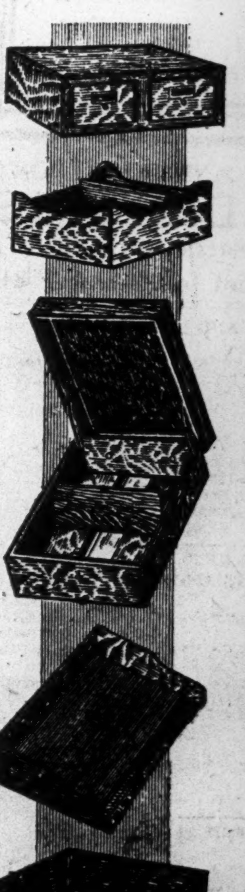
THE UNION TRUST CO., Limited

HENRY F. GOODERHAM, President

Hon. E. G. Stevenson—Vice-Presidents—H. S. Strathy.
J. M. McWhinney, Gen. Mgr.

Chartered Executor, Administrator, Trustee, Etc.

Capital Paid-up, $1,000,000. Reserve, $950,000.
Winnipeg, Man. TORONTO London, Eng.



Macey

EFFICIENCY!

Modern Business, like Modern War, demands Equipment of the *Efficiency Kind.*

Out-of-date office appliances help to paralyze your business and slow up your office work.

"SPEED UP"
by using the latest
Macey Appliances

Ask your dealer
or write us direct.

CANADA FURNITURE MANUFACTURERS
LIMITED
General Offices - Woodstock, Ont

EARNINGS OF THE C & D BANK WERE IMPROVED

Montreal Savings Institution Had a Satisfactory Year.

BIG GOVERNMENT HOLDINGS

The Increase in Deposits and Decrease of Cash is Counterbalanced by Holdings of Government Securities.

An increase in earnings, small but satisfactory in view of the conditions which have prevailed, is shown in the annual statement of the Montreal City and District Savings Bank for 1916. The report, which was presented to the shareholders at the annual meeting of the institution this week, shows that the liquid position has been well maintained. The principal feature of the statement is the increase in holdings of Government bonds, which stand at $4,416,176, as compared with $761,069 in the previous report, the increase having the effect of counterbalancing a growth of deposits.

The net earnings at $221,757, compared with $220,266 a year ago, and $235,632 in 1914. This represented 22.1 per cent. on the capital, as compared with 22.0 and 23.6 per cent. respectively, for the previous years referred to. Dividend appropriations at $160,000, were as usual, but the provision of $11,000 for patriotic funds, compared with $3,500 a year ago, made total deductions of $171,000, compared with $163,500, and reduced the year's surplus to $50,757, as against $56,766. The total surplus carried forward was $172,308. Following are comparative figures:

	1915	1916
Profits	$220,266	$221,757
Deduct:		
Dividends ..	$160,000	$160,000
Red C. fund.	3,500	......
Patr'tic F'd..	....	11,000
Total	$163,500	$171,000
Surplus	$ 56,766	$ 50,757
Previous	64,785	121,551
Total surplus	$121,551	$172.308
Earnings on cap. ...	22.02%	22.17%

The Balance Sheet.

The increase in holdings of Government securities referred to, amounting to $3,655,107, largely explains the field of investment which has been employed for the enlarged public deposits, the total of $32,098,708 being higher than a year ago by $3,020,315. Cash holdings are reduced by about $560,000, but otherwise there is practically no change in the accounts. Total assets now amount to $35,011,568. Comparative figures follow:—

BALANCE SHEET
LIABILITIES

	1915	1916
Deposits	$29,078,393	$32,098,708
Due Rec.-Gen.	209,271	95,954
Charity Fund	180,000	180,000
Open Accounts	100,608	114,958
	$29,568,273	$32,489,260
To Shareholders:		
Capital	$ 1,000,000	$ 1,000,000
Reserve	1,350,000	1,350,000
Profit and Loss ...	121,551	172,308
	$32,029,825	$35,011,568

ASSETS.

	1915	1916
Cash	$ 5,737,058	$ 5,171,644
Govt. Bonds	761,069	4,416,176
Municipal	14,783,556	14,741,959
Other Bonds	1,354,162	1,336,518
Sundry Securities ...	227,000	227,000
Call Loans	8,501,049	8,438,842
Charity Fund	180,000	180,000
	$31,543,896	$34,511,639
Bank Premises	475,000	475,000
Other Assets	20.929	24,929
	$32,029,825	$35,011,568

THE DOMINION SAVINGS AND INVESTMENT SOCIETY

London, February 13th, 1917.

The Forty-fourth Annual General Meeting of the Shareholders of the Dominion Savings and Investment Society was held on the above date at 11 o'clock a.m., at their offices, Dominion Savings Building, pursuant to notice

There were present: Messrs. T. H. Purdom, K.C., President; John Ferguson, Vice-President; W. J. McMurtry, Toronto; John Purdom, George Angus, Alexander Purdom, Edward D. Parke, J. Wilson Purdom, Nathaniel Mills and others.

Mr. T. H. Purdom, having taken the chair, asked Mr. N. Mills to act as Secretary, and to read the Annual Report.

Forty-Fourth Annual Report to the Shareholders of the Dominion Savings and Investment Society.

The Directors beg leave to submit their report for the year ending December 31st, 1916, together with the duly audited balance sheet.

The net profits for the year amounted to the sum of $59,151.34, and the balance at the credit of the contingent fund was the sum of $5,129.84, making together the sum of $64,281.18. Out of this amount two half-yearly dividends, at the rate of Five per cent. per annum, amounting to the sum of $46,740.15, were paid, the sum of $15.000.00 added to the reserve fund and the balance, being the sum of $2,541.03, continued as a "Contingent Account."

The addition this year to the Reserve Fund makes that fund $250,000.00, exceeding twenty-five per cent. of the paid-up capital, and almost twenty-five per cent. of the total liabilities to the public. The Assets, $2,283,105.04, are more than double the amount of the liabilities to the public, $1,072,384.60.

The books of the Society have been regularly audited by Messrs. John Lochead and William J. Harvey, whose certificate is attached to the financial statement.

All the Directors retire annually, and are eligible for re-election.

Respectfully submitted, T. H. PURDOM, President.

Financial Statement for the Year Ending December 31, 1916

PROFIT AND LOSS.

DR.		
To Two Permanent Stock Dividends—		
30th June, 1916.....	$23,357.50	
31st Dec., 1916.......	23,357.50	
		$ 46,715.00
To Two Accumulating Stock Dividends—		
30th June, 1916	$12.42	
31st Dec., 1916	12.73	
		25.15
To Interest paid Savings Bank Depositors		26,795.36
To General Expense Account, including Salaries, Directors' and Auditors' Fees, Advertising, Printing, etc...		11,735.24
To Commission Account		1,047.57
To Currency Debenture Coupons		2,500.73
To Currency Debenture Coupons, due and outstanding 1st January, 1917		2,583.75
To Sterling Debenture Coupons		9,797.91
To Sterling Debenture Coupons (Interest accrued but not due)		1,150.00
To Government and Municipal Taxes		2,495.03
Carried to Reserve Fund		15.000.00
Balance Contingent Account...		2,541.03
		$122,387.58

CR.	
By Earnings for year ending 31st December, 1916..........	$117,257.74
By Balance at credit of Contingent Account	5,129.84
	$122,387.58

LIABILITIES.

To the Public—	
To Savings Bank Depositors..$	758,410.96
To Currency Debentures	113,142.40
To Currency Debentures Coupons due and outstanding 1st January, 1917	2,583.75
To Sterling Debentures	197,097.49
To Sterling Debentures Coupons (Interest accrued but not due)	1,150.00
	$1,072,384.60
To the Shareholders—	
To Permanent Stock ....$	934,300.00
To Permanent Stock Dividend payable 2nd January, 1917	23,257.50
To Accumulating Stock	95.00
To Accumulating Stock Dividends	426.91
To Reserve Fund ....,	250,000.00
To Contingent Account	2,541.03
	$2,283,105.04

ASSETS.

By Cash Value on Mortgages	$2,251,835.73
By Cash in Banks	28,047.19
By Cash in Office	3,222.12
	$2,283,105.04

We hereby certify that we have made a regular audit of the books of The Dominion Savings and Investment Society for the year 1916. The cash, bank accounts and vouchers have been kept under careful examination. All postings have been checked, all entries in the Society's ledgers have been verified, and the accompanying statements of "Profit and Loss" and "Assets and Liabilities," are, in our opinion, a correct showing of the affairs of the Society.

London, January 26, 1917.

JOHN LOCHEAD, } Auditors.
W. J. HARVEY,

On motion of Mr. T. H. Purdom, President, seconded by Mr. John Ferguson, Vice-President, the report was unanimously adopted.

The following gentlemen were then elected Directors for the ensuing year: T. H. Purdom, K.C., John Ferguson, W. J. McMurtry, John Milne, Samuel Wright, John Purdom and Nathaniel Mills.

At a subsequent meeting of the Directors, Mr. T. H. Purdom, K.C., was elected President, and Mr. John Ferguson, Vice-President.

63% ON COMMON OF FOUNDRIES AND FORGINGS

Profits Were Considerably Smaller Than in 1915.

OUTPUT WAS MUCH LARGER

It Is Evident That but for Increased Volume of Business New Prices Would Have Had Greater Effect.

While the annual statement of Canada Foundries and Forgings, presented to the shareholders this week, showed that there was a decline in earnings from $832,056 to $653,852, consideration of the figures leads to the opinion that there was a much greater reduction in average profits on munitions business than might be noted at first glance. The smaller profits referred to were upon a much larger volume of business than was the case in 1915. In fact, the statement is made that on one class of munitions alone the decrease in profits would have been about $650,000, compared with the prices which were previously in force. The report, therefore, is interesting in its relation to all industries which have been actively engaged on shell and other munitions business. It indicates that there has been a process of adjustment to overcome the abnormal conditions which for a time prevailed and which were responsible for unusual profits to those concerns which were fortunate enough to secure the earlier contracts. Fortunately, Foundries and Forgings was able to increase its output and improve efficiency in production. and no doubt other concerns have been able to a more or less extent to do likewise. Following are comparative figures of the profit and loss account:—

	1916	1915
Profits	$659,851	$832,056
Bond interest	8,673	8,748
Balance	$651,178	$823,308
Dividends	246,400	208,000
Balance	$404,778	$615,308
War tax, etc.	253,942	......
Balance	$150,836	$615,308
Patriotic Fund	28,000	......
Balance	$122,836	$615,308
Previous balance	630,772	15,463
Balance P. and L. ...	$753,608	$630,772

The showing on the company's common stock of $960,000 equals 63.2 per cent. prior to the deduction of war tax and some minor distributions. In the balance sheet on the assets side the most striking changes are in cash on hand and inventories. The decrease in cash is offset not only by a large increase in the item of inventories, which includes raw materials and supplies, but by a good increase in investments, largely in Government war bonds. It is shown that the total assets, notwithstanding the very liberal writing off of all plant established for special purposes have increased by almost half a million dollars, or, to be exact, $496,441.

The Outlook.

Regarding the outlook, President Capt. W. M. Weir, said:—

Notwithstanding the present dreadful war and troubled state of the world in general your directors look forward with confidence to the future. While they do not presume under existing conditions to predict the future business of this corporation, still, present indications for 1917 point to favorable results. Orders on hand at the beginning of the fiscal year 1917 were sufficient to keep your plants fully occupied for some months to come."

Some idea of the expansion of the plant's operations may be obtained from the statement that the tonnage of forgings alone at one plant in 1915 amounted to 14,000 tons, or 28,000,000 pounds; while in 1916 the tonnage was 39,000 tons, or approximately 78.000,000 lbs., making an increase of 50,000,000 pounds in all during the year. The expenditure entailed in order to produce this result was, therefore, warranted, and provision has been made to take care of this extraordinary expenditure by writing it off prior to carrying forward the balance for 1916.

FREIGHT AND FOOD.

Transportation by Rail a Small Factor in Cost of Living.

In the mind of the average consumer, freight charges by the railroad companies play a big part in the cost of food. Investigation proves that in many cases the retail price of imported luxuries would not be noticeably reduced if freight charges were wiped out altogether. A comparison of the prices of apples and oranges is an illustration of this. According to George D. Dixon, vice-president of the Pennsylvania Railroad, "the freight charges on food products are so small that it is generally conceded that retail prices, in the overwhelming majority of cases, would not be affected at all if the railroad transportation costs were wiped out altogether. Take the case of milk, for instance, a thing which is very expensive and difficult for the railroads to handle, and for which they provide the very highest character of transportation service. We haul milk for about one-half cent per quart. It retails at 10 or 12 cents, and even more for some brands. Suppose the freight rates on milk were cut in half, is it likely the reduction of a quarter of a cent per quart would be reflected by any change in the retail price? So, too, in the case of fruit, the high cost of living does not depend on freight rates. California oranges go to New York for $1.15 per 100 pounds, which is less than one cent for bringing you an orange 3,000 miles away."

INTEREST RATES AFFECTED UNION TRUST PROFITS

Earnings Showed Decline, But Were Still Over 12½ Per Cent. on Capital.

The annual statement of the Union Trust Company, like those of so many other companies doing a loaning business in Western Canada, indicates the effect upon earnings of the high rates necessary for borrowed funds, compared with practically unchanged return on investments. Under the circumstances, there is no reason for complaint that the profits, after paying interest, management charges, etc., show a decline from $154,524 to $127,440, especially as the latter still represents over 12½ per cent. on the capital, as compared with the 10 per cent. dividend paid. Following is the record for five years:—

Year	Paid up Capital	Profits	Div.	Av. Cap.	Earn. Rate
1912 ..	$1,000,000	$206,401	10	20.6	11.6
1913 ..	1,000,000	200,794	10	20.1	10.6
1914 ..	1,000,000	162,076	10	16.2	8.2
1915 ..	1,000,000	154,524	10	15.5	7.8
1916 ..	1,000,000	127,445	10	12.7	6.5

In explaining the decline in earnings, President Henry F. Gooderham points out that an important factor is the difference between interest paid and that secured on investments and that there has been a reduction owing to the increased rate which the company now pays for its funds with practically no increase in loan rates on mortgages. Had it not been for this fact, he states the year would have shown an improvement over 1915. Attention is also called by the president to the fact that the policy of confining investments to first mortgage, Government, and municipal debentures has been strictly maintained.

The amount of guaranteed funds in the hands of the company, compared with those of the previous year, shows an increase from $7,449,135 to $7,487,561, and the value of estates and agencies under the management of the company from $5,022,223 to $5,660,827, notwithstanding the fact that a number of large estates were distributed during the period. Interest payments during the year were very satisfactory despite the fact that crop returns were light in some sections of the West; the high prices obtained were an important factor. The following table shows the distribution of the earnings in the past three years:—

Profits	$162,075	*$154,524	$127,445
Balance for'd ..	39,737	26,812	41,336
	$201,812	$181,336	$168,781
Distribution—			
Dividend	$100,000	$100,000	$100,000
Depreciation ..	75.000	40,000	30,000
Balance forw'd.	26,812	41,336	36,531
Patriotic fund .	....	....	2,250
	$201,812	$181,336	$168,781

THE POST understands that during the year the company's position has been greatly improved—as the result of a careful policy of readjustment of accounts to suit the prevailing conditions—to even a greater extent than the report indicates.

COST OF SKELETONS.

Some Interesting Effects of Rising Tendency of Prices.

Now it is the market price for skeletons that has joined the ever-advancing brigade of commodities that have increased in cost because of the war.

The Dobbs Ferry Hospital recently acquired an X-ray machine, and found it necessary to get a perfect skeleton so that the pictures of the bones of subjects undergoing treatment could be compared. Dr. Frank R. Lyman searched New York city for a skeleton and couldn't find one. Then he went to Philadelphia and finally found a skeleton that suited. But for it he had to pay $100, twice what it would have cost two years ago and four times the cost of a perfect specimen ten or twelve years ago.

The increase is due to the war. Most of such skeletons are imported from France, but the war has curtailed this industry, the skeletons of soldiers not being diverted into channels of trade.

CONSOLIDATED STATEMENT (Condensed)

The Shredded Wheat Company, The Canadian Shredded Wheat Company Ltd. and Pacific Coast Shredded Wheat Company

as of December 31st, 1916

ASSETS.

Cash on hand and in banks, Current	$ 541,896.69	
Held in Reserve for Dividends Declared	237,500.00	
		$ 779,396.69
Invested in Bonds		196,343.75
Accounts, Products and Materials		1,473,260.01
Land, Buildings and Equipment		2,921,183.49
Patents, Copyrights, Trade Marks and Goodwill		5,500,000.00
		$10,870,183.94

LIABILITIES.

Current Indebtedness	$ 146,326.16	
Dividends Declared, Nov. 25, 1916	237,500.00	
		383,826.16
Surplus		343,827.27
Reserves		142,530.51
Capital Stock		10,000,000.00
		$10,870,183.94

INCOME STATEMENT.

Gross Income, less Operating Expenses, Taxes, etc.		$1,375,839.11
Reserve for Depreciation	$ 57,548.66	
Reserved for Wheat Price Protection	96,800.48	
Reserved for Federal Income and Canadian War Tax	45,730.03	
		200,079.17
Net Income for Year 1916		$1,175,759.94

SURPLUS.

At January 1, 1916	$ 430,597.33	
Net Income 1916	1,175,759.94	
		1,606,357.27
Dividends Paid and Declared	687,530.00	
Credited to Goodwill	575,000.00	
		1,262,530.00
Balance at December 31, 1916		$ 3 343 827 27

Examined and found correct, New York & Buffalo Audit Company.

ANNUAL MEETING OF THE

Montreal City and District Savings Bank

PROFITS 22%

Seventieth General Annual Meeting of THE MONTREAL CITY & DISTRICT SAVINGS BANK was held at the HEAD OFFICE of the Bank, February 12, 1917, at which the following Shareholders were present: Hon. R. Dandurand, Richard Bolton, G. N. Moncel, Hon. Sir Lomer Gouin, H. Gerin Lajoie, Hon. Sir Evariste Leblanc, Paul Ouimet, D. A. Hingston, F. W. Molson, Eugene Ouimet and P. F. McCaffrey.

Hon. R. Dandurand occupied the Chair, and Mr. A. P. Lesperance, General Manager, acted as Secretary of the Meeting.

After the Secretary had read the notices calling the Meeting, the President read the following:

SEVENTIETH ANNUAL REPORT

Montreal, February 12th, 1917.

To the Shareholders,
Gentlemen:

affairs of the Bank and the result of its operations for the year ending December affairs of the Bank and the result of its operations for the year ending December 31st, 1916.

The net profits for the year were $221,756.91, and the balance brought forward from last year's Profit and Loss Account was $121,551.75, making a total of $343,308.66. From this amount have been paid four quarterly dividends to our Shareholders; $10,000 has been contributed to the Canadian Patriotic Fund, and $1,000.00 to the British Sailors' Fund, leaving a balance at the credit of Profit and Loss Account of $172,308.66 to be carried forward to next year.

The Bank has been doubly bereaved this year by the death of two members of the Board. The demise of Honorable J. ALD. OUIMET occurred on the 12th of May last, after a lengthy illness. He had been connected with the Bank since 1879 as a director and had been its President for nine years, up to a few months before his death. His close attention to the Bank's interests and his wide and well-deserved popularity, with all classes of the community, contributed in a great measure to the prosperity of the Bank.

Honorable ROBERT MACKAY, who died on the 19th of December last, had been a director for nineteen years, and Vice-President of the Bank since 1912. His wide business experience and the esteem in which he was universally held were of much benefit to this Institution.

Mr. RICHARD BOLTON has been elected Vice-President, in succession to the late Honorable ROBERT MACKAY, and the two vacancies on the Board have been filled by the election of Honorable SIR EVARISTE LEBLANC, Lieutenant-Governor of the Province, and Mr. HENRY HAIG JUDAH, as Directors.

As usual, a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The report of the Auditors and the Balance Sheet are herewith submitted.

R. DANDURAND, President.

STATEMENT

of the Affairs of The Montreal City and District Savings Bank on the 31st December, 1916.

ASSETS.

Cash on hand and in chartered banks	$5,171,644.11	
Dominion and Provincial Government Bonds ...	4,416,175.61	
City of Montreal and other Municipal and School Bonds and Debentures	14,741,958.98	
Other Bonds and Debentures	1,336,018.32	
Sundry Securities	227,000.00	
Call and Short Loans secured by Collateral	8,438,842.19	
Charity Donation Fund, invested in Municipal Securities approved by the Dominion Government	180,000.00	
		$34,511,639.21
Bank premises (Head Office and fourteen Branches)	475,000.00	
Other Assets	24,929.55	499,929.55
		$35,011,568.76

LIABILITIES.

To The Public:		
Amount due depositors	$32,098,708.14	
Amount due Receiver-General .	95,593.60	
Amount due Charity Donation Fund . ..	180,000.00	
Amount due Open Accounts	114,958.36	
		$32,489,260.10
To the Shareholders:		
Capital Stock (Amount subscribed $2,000,000), paid up..	$1,000,000.00	
Reserve Fund. ..	1,350,000.00	
Profit and Loss Account	172,308.66	2,522,308.66
		$35,011,568.76

On behalf of the Board,
R. DANDURAND, President.
A. P. LESPERANCE, Manager.

AUDITORS' REPORT.

Having obtained all the information and explanations we have required, and having satisfied ourselves of the correctness of the Cash Balances, and examined the Securities held against the Money at Call and Short Notice, and those representing the investments of the Bank and having examined the foregoing Balance Sheet and compared it with the Books at the Head Office, and with the Certified Returns from the Branches, we are of opinion that the transactions of the Bank have been within its powers, and that the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs as shown by the Books of the Bank.

A. CINQ-MARS, C.A.
C. A. SHANNON, L.I.A.
Auditors.

Montreal, February 5th, 1917.

THE FINANCIAL POST OF CANADA

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may demand.

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Single insertion ....$ 1.50 per inch
Yearly insertion .... 40.00 per inch
Financial Reports, Prospectuses, etc., 15 cents per agate line.

SUBSCRIPTION PRICE:

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Great Britain, Ireland and Colonies having minimum postal rates .... 12s. 6d.
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President, - - - JOHN BAYNE MACLEAN
Manager, - - - - - - R. G. DINGMAN

MONTREAL, 701-702 Eastern Townships Bank Bldg., A. B. Caswell; WINNIPEG, 22 Royal Bank Bldg., C. W. Byers; BOSTON, 733 Old South Bldg., C. L. Morton; NEW YORK, 115 Broadway, R. B. Huestis; CHICAGO, 1104-7 Fort Dearborn Bldg., A. H. Byrne; GREAT BRITAIN—London, The Maclean Co., of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

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Toronto, February 17, 1917.

THE NATION'S BUSINESS.

THE demand for a National Government is becoming general and newspapers in many parts are raising the cry for governmental efficiency that THE FINANCIAL POST started back in 1914. Ideas as to what would constitute a National Government and how it could be brought into existence differ very widely. Let THE FINANCIAL POST as the first advocate of this radical idea—now adopted in Great Britain and badly needed in Canada—state how it thinks the reorganization should be worked out

In the first place any new Government must necessarily be formed under a head and, as a first choice, Sir Robert Borden is the man. The premier is a stronger man than the war record of his government would indicate. If he had his own way, untrammelled by reactionary ideas of too well established colleagues, unprejudiced by political considerations, he would undoubtedly organize his cabinet along the right lines and put behind his handling of national affairs the necessary driving force. But, unfortunately, Sir Robert is finding it hard to break party governmental traditions with the thoroughness of Lloyd-George.

Give him his chance, first. If he does not soon show the strength, however, to break the ties of political expediency, the opportunity must pass from him.

Should Sir Robert fail tomeasure up soon then the chance must pass to the other side of the House. THE FINANCIAL POST doubts, however, if the opposition could form a National Government under Sir Wilfrid Laurier. The country admires the charming personal qualities of Sir Wilfrid but fears his business capacity, as it shudders at the memory of the G. T. P. muddle. He is an accomplished parliamentarian but too much of the Asquith type to smash through all opposition with the measures that war has necessitated. But the Liberals have a man who might, if the opportunity were vouchsafed, become the Canadian Lloyd George. Let them go down to Quebec and take the measure of Sir Lomer Gouin. His record speaks of efficiency and of action. There are doubtless many others as good or perhaps better men in the Liberal party but he, of the men in the public eye, has displayed the greatest capacity as a good business executive. He would not be afraid to gather about him the most able men in the country—men who could do things and get things done.

If neither party can accomplish the needed miracle, sweep them all out! Canada is beginning to stir, to call for men of action and courage to handle a situation where only action and courage count.

LONDON SCHEMES AND OUR RESOURCES

THE Empire Resources scheme, conceived in the brains Sir Starr Jameson, late premier of Cape Colony, Moreton Frewen, Wilson Fox, Mr. Bigland, M.P., and others, brought to public light at the offices of the Rhodes Trust, in London, by a committee of which Sir Starr is chairman, and having for its announced purpose the development of a couple of million acres of land in Canada's Western provinces, appears to be a child of war-time circumstances the antecedents of which might well be investigated. Before the Dominion government or the provincial governments hand over two million acres of our national heritage for any development scheme there should be definite assurances as to what use will be made of it. The cloak of Imperialism has before this been used as a guise for the operations of the self-interested promoter. Our governments should beware of the hypnotic influence of high titles and big names.

This big proposition for the development of Canadian lands is quite evidently a promotion of what is known in London as the "South African crowd" despite the names of men prominent in the Empire's national affairs connected with it. Frewen and Fox, who appear to be the active spirits, are both known to Canadians but rather as theorists with big and vague ideas than as practical business men with the executive ability to carry through such a scheme as suggested.

We are naturally looking for the development of our agricultural resources by any reasonable means which will bring practical results and benefit the whole country but we should not be carried away by the magic of big talk and big figures. The history of the chief promoters and their associates cannot but leave the impression that private gain is the chief incentive.

THE PACIFIC PROBLEM

NO nation has been securing greater benefits from the war than has Japan and no nation will endeavor to take greater permanent advantage of the opportunities which have been afforded. War-time prosperity in the Eastern Empire is the foundation upon which is being established the machinery for more aggressive competition in Pacific trade. Growing rich in the profits which munitions and other business of war have brought her—without the expenditure of men or money in the cause she is supporting—Japan has not been living in the present alone. While other nations with trade facilities—particularly her great competitor the United States—have grasped with both hands the profits of current business without thought to the future, Japan, through state control of transportation, has in her war activities not neglected her ordinary commercial trade. Transportation, and likewise production, have been regulated to secure a strong grip upon business which she will be in advantageous position to hold when the war ends and other nations return to their ordinary affairs.

Nor is it likely that Japan will be content with the advantages which she is gaining by taking advantage of conditions as they are. As a member of the Allied group she is certain to have some say in the terms of settlement and to endeavor to frame a policy to benefit her own trade at the expense of other nations competing in the Pacific. Significant in this connection was the statement made at the convention of silk dealers in New York recently by Dr. Iyenaga, who is regarded as the unofficial mouthpiece of Japan in America. It was not, he said, the province of Japan to say anything about the remaking of the map of Europe but, he continued "I believe she has a just claim to have a voice in the terms of peace to be concluded which should be so framed as to defeat forever the ambition of Germany to dominate the world. . . . ."

Japan's say in the fixing of peace terms will be for the benefit of Japan's trade. What benefits Japan's trade in the Pacific is not likely to be to the advantage of Canada—nor the United States. Our natural interests demand that every act in the Pacific theatre should be closely watched if they are to be properly safeguarded. If, as the outcome of the war, there are to be trade advantages granted over Germany in the East they should favor Canada rather than Japan or the United States. At such a time we cannot but feel that we are sadly in need of a Minister of Trade and Commerce with practical business knowledge, ability and executive power to deal directly and firmly with our post-war trade problems. It devolves upon Premier Borden to stand firmly for Canada's interests in the fixing of future trade regulations.

THE OLD ORDER MUST GO.

LLOYD GEORGE, Britain's war prime minister, and undoubtedly the most popular figure in the Empire to-day, has won to that position after a career in which he has defied public opinion in practically every form, broken the customs and conventions of centuries and lifted the United Kingdom out of a national rut—all to bring about a system for the practical administration of the nation's affairs in a business-like, efficient manner. The traditions of Downing Street have been desecrated by the energetic little Welshman who has turned the gloomy residence of the chief executive of the Empire into a hive of activity where business is first consideration.

That the Lloyd George administration, which has broken new ground in every direction as a governmental body, will hold out and make history is the general belief in England to-day in the opinion of Robert Donald, foremost Liberal daily journalist. He bases this hope on the prime minister "who is working a revolution in cabinet government." The men with whom Lloyd George has surrounded himself are men of practical ability—politics play a second part. There are now experts at the heads of the great administrative departments and ministers who have not seats in parliament.

This upheaval in the British system of government and reorganization on the lines of economic efficiency has been brought about at this time by war conditions. But we believe that the war has been an excuse rather than a cause, and that, had the conflict not broken out, there would have been other developments to have brought about the same change sooner or later. The old forms of government cannot continue to adequately serve the modern demands of national business. THE FINANCIAL POST has long been pointing out that such changes as have recently been taking place in England must occur to bring about efficient administration. Canada must follow the example which Great Britain has set. The change in England was brought about by national necessity and public opinion. In Canada the compaign started by THE POST over two years ago is now in full swing. There is a growing demand for great business executives to head government departments. National opinion has now developed to the point where it is demanding that Mr. Borden call into his cabinet men of proven ability in handling great enterprises. Sooner or later the old order has got to go—the sooner the better.

RUSSIA AND THE DARDANELLES

THE question of the future of the Dardanelles has been raised in the House of Commons. Mr. Pugsley has asked the government if it is aware that the Entente Allies have agreed that Russia shall be given control of the straits and Constantinople. Mr. Borden has replied that the government has had no official communication on the subject. The answer is not sufficient. If the government has had no intimation from London as to what has been decided in this matter, a statement should be demanded by Mr. Borden. Canada's interests are vitally concerned. The future will find Russia a keen competitor for Europe's business in agricultural products. If she has control of the Dardanelles she will have a great advantage over America. We believe that Canada's policy should be that no greater concession should be granted than that a neutral zone should be created with the straits thrown open to free commerce. It is for Mr. Borden to demand that our interests receive full consideration when terms of settlement are being considered.

EDITORIAL NOTES.

WILSON'S ultimatum to Germany will not bring much satisfaction to national dignity if American shipping is kept off the Atlantic.

• • •

THE fact that Surgeon-General Carleton Jones is no longer director of the Canadian Medical Services, having been appointed Canadian medical commisioner, would seem to indicate that steps have been taken which in some degree justify the report of Dr. Herbert Bruce.

WHO INSPIRES BRYAN?

A FEW months after the war began THE POST, based on the information given us by a Washington financier, said that W. J. Bryan, Professional orator and late U.S. Secretary of State was more or less in the hands of the Germans. A Palm Beach, Fla., despatch says:

> William Jennings Bryan, who has been in Washington advocating a referendum on peace, joined Mr. and Mrs. Samuel Untermyer yesterday, on board their houseboat anchored opposite Poinciana basin.

The money, said to be $40,000,000. which the German Government put at the disposal of their propaganda committee in the U.S. was spent largely under the technical direction of this Mr. Untermyer. A committee of prominent Germans was formed by Bernstorff to carry on this campaign. He laid all the plans before them. Two Germans present—one of whom is THE POST'S informant—refused to have anything to do with the work, the offensiveness of German militaryism having estranged them.

COMBINATIONS AND COSTS OF LIVING.

FOR the reason that the modern daily press follows the policy of serving popular opinion rather than public interest, the cry against efficient business organization on a large scale is echoed and encouraged by many editors who have evidently given no more attention to the question than to listen to the remarks of narrow-minded agitators—or if they have other ideas they hide them because they may not suit the average reader. The brand of "trust" is placed upon big business and it is popular to cry down the trusts. That the public interest can be served and efficiently increased by combinations is not explained to the people, because a larger audience will listen to arguments to the contrary.

The high cost of living has been recently made the excuse for an outcry against big business as represented by the packing concerns and commission houses. Agitations have flared up in all parts of the country largely encouraged by the support of the press and sensational reports of public meetings. Investigations have been conducted and short-lived boycotts have been organized; but these have failed as they were foredoomed to do by the working of the law of supply and demand. The cost of living will remain high while there is a continuation of the abnormal war demand of Europe and prosperity—largely created by these very high prices for foodstuffs—in our own country. The secret of cheaper living under these circumstances is in consuming less. Reducing the cost of distribution can also be made a factor and this can be done, not by breaking up the combinations, but by increasing their efficiency.

In the great majority of cases investigating bodies have not made reports—at least reports which have reached the public. The results do not accord with popular opinion and are, therefore suppressed. A striking exception has been provided in New York. Three committees working jointly have reported that enhanced food prices are due to causes beyond the control of city or state; that there is no short cut, no magic remedy. On the other hand, it is pointed out that difficulties might be minimized by unity of effort and better organization—more "trusts," more combination, more co-operation.

WAR'S MEANING TO U.S.

Wall Street Journal.

It has been truly remarked that while you can be a little bit sick or a little bit in love, you cannot be a little bit married or a little bit dead. There are some well meaning people, and others not so well meaning, who believe it is possible for us to be a little bit at war. In the event of an overt act by Germany they propose an entirely defensive campaign, with the accumulation of arms and armament solely for ourselves, to the exclusion of our present customers for such supplies, the Allies upon whose side we should supposedly be fighting.

Nothing could more effectually play into Germany's hands. This embargo is precisely what German sympathizers have been working for during the past two years, and what was formally refused when Austria demanded it of our Government at Washington. If, to such a trade polliy were added the proposal to keep our financial credit to ourselves, we could hardly help Germany more if we actually entered the fight on the side of the Central Powers.

Defense is not the function of a navy when engaged in conflict with another not overwhelmingly superior in strength. It is the standing rule of the British navy that its battle line is the enemy's coast. Attack is the best defense on land, as the German strategists have proved, and it is still more so at sea. Anything else would mean a complete surrender to the submarine frightfulness threat, and we have already made a long stride in that direction, without the declaration of war, by detaining American vessels in American ports.

THE BUSINESS CREED OF THE ARMOURS

Interesting Features of the System and the Policy Which Have Built Up the Largest Packing Plant on the American Continent.

Outstanding figures in the business of a continent, deep interest attaches to the Armours, of Chicago. In the current issue of the *American Magazine* appears an article which undertakes to tell "how they did it" and which, accordingly, is well worth the attention of every business man and investor. It reads, in part, as follows:—

In the hurried week before last Labor Day, when a nation-wide railway strike seemed just around the corner, an avalanche of messages rolled in on the telegraph companies. Business firms were stampeding to the wires with emergency instructions to their branch houses and agents. If a traffic tie-up came, chaos would come with it.

One organization had a superlative interest in the situation. Much of its half-billion-dollar annual business was in perishable foodstuffs; hundreds of tons were in transit or temporary storage. Freight stagnation meant a mighty loss, the extent of which would be determined by the agility of its men afield, by the wits of nearly four hundred branch house managers.

In this crisis there went out from the company's main office in Chicago to each branch house a single message. It filled perhaps a line and a half on the telegraph blank, and read like this:

"In event of a strike we expect every man to use his own judgment."

No instance could be more typical of the way in which J. Ogden Armour handles his forty thousand employees. This quiet, thoughtful-eyed industrial leader, just turned fifty-three, is applying a hand-made business gospel to the twelve companies he controls, applying it in a manner so divested of show that few people beyond his own organization know anything about it. In its last analysis the Armour creed runs:

"Big men are only little men given a fair chance to grow."

Practically every officer, every superintendent, every foreman, in all the Armour industries to-day has come up from the bottom. They were the clerks, the stenographers, the office boys of yesterday.

This was one of the first facts I learned on visiting the Chicago stockyards. It gave me a vision. To find out the striking ways in which these men had won their way up—their flashes of genius—their ingenuity in crises—what a human document it would make!

Thus, in the end, I found the answer I sought—not in the big, busy stockyards of Chicago, but in a plainly furnished office midway in a La Salle Street skyscraper. I found the answer in the business gospel of J. Ogden Armour.

"My men?" he smiled, that first afternoon. "Why, they developed themselves. I gave them a free rope and a long one. If they were too small for their jobs they got tangled up in the rope and it tripped them. If they were too big, they fashioned the rope into a ladder and climbed higher."

"If I don't trust a man I don't give him responsibility," he went on. "If I do trust him I let him alone. I want my men to think for themselves. I want them to come to me with a decision, not for a decision. I expect them to handle their jobs as they see fit, knowing that they will have to answer to me only for results. . . Our superintendents and foremen deal with the men under them in the same spirit."

J. Ogden Armour is strikingly like his father in some respects, strikingly different in others. Physically, he reminds one little of the big, blustering, barrel-built, sandy-haired founder of the house. There is less splash to the son's current; he shuns publicity, and is modest to a point approaching timidity. "P. D" was the pioneer; "J.O." is the developer. An eternal optimist, he is always ready to take the thousand-to-one shot. Like most men of imagination, his dreams are as real to him as his deeds. "Whenever I have planned too far ahead," he said once, "the country has grown up to help me out of my scrape."

The side of the son's nature that most closely tallies with the father's is the side that touches the men in his employ.

"J. O." was entertaining a visitor one day when word was brought to him that one of his employees was involved in some trouble. He gave a few quick orders to cover the case. "Good heavens, Mr. Armour!" expostulated the visitor. "Do you run your business on sentiment?"

"My friend," replied the packer, wheeling around in his chair. "I never could run it on anything else."

His memory is prodigious. He asks questions continuously and seems to retain everything he nears.

When his men go on the pension roll on account of illness or old age, it often happens that their pensions are not large enough to pay medical bills or other extra expenses and support their families in comfort. In such cases "J.O." makes up a plentiful balance from his personal account—and there is only the instinct of the men to tell them whence comes the surplus. Usually when Mr. Armour hears of a new baby arriving in the family of one of his employees, he replenishes the father's pocketbook with a suitably sized check. Incidentally, he has had more youngsters named after him than falls often to the lot of a Presidential candidate.

There is one expression of the packer's sentiment that sometimes draws protests from his subordinates. Employees whose usefulness is dimmed by old age are frequently kept in positions of some responsibility. They do not wish to be retired; they want to stand by the ship and watch it drive ahead; and "J.O" respects their wishes.

The Armour Pension Fund, one of "J. O.'s" pet projects, was established in 1911. All office employees contribute three per cent. of their annual salary. At the age of fifty-seven, any man who has worked for the company twenty years or over may retire and draw for the rest of his life a percentage of his salary at retirement equal to double his years of service. In other words, a man retiring after working forty years would continue to receive eighty per cent. of the salary he drew in his last year of employment. If physically disabled, employees may retire after fifteen years. The complete pension system covers many contingencies, including suitable provision for widows and children of dead employees. In addition, Mr. Armour has endowed a "Service Roll" for day laborers, which provides a pension without payments from them.

Sometimes, when a man prominent in public life has visited the plant, "J.O" has been asked if he wished to see him. "Do I have to see him?" he will say. "Will it do any good? You know I am busy to-day." Yet an hour later he would be seen chatting with a policeman on the street, or halting for ten or fifteen minutes to discuss with some old employee the state of his family's health.

P. D. Armour built a considerable record of financial salvage; he was always ready to come to the aid of business firms—including rivals—when crises arose. In the late summer of 1914 J. Ogden Armour was given as great an opportunity for service as his father had been given more than twenty years before.

When the European war broke out, shaking the American financial structure, the New York Stock Exchange closed its doors, with the Cotton Exchange a close second. Forthwith, there developed in Chicago a strong agitation to close the Board of Trade, lest grain should be involved in the financial frenzy.

When Mr. Armour heard of the proposal he declared:

"The Board of Trade must not close! We will keep it going at any cost!" And immediately he gave orders that any stable firm whose solvency was threatened by inability to realize at once on its assets should be pulled through by loans from his own treasury.

On the very day that war was declared, when the whole grain trade was fluttering with fear of wild fluctuations at the market opening, Mr. Armour offered to throw a goodly amount of his own wheat on the market to satisfy any panic-stricken buyers. As the results of these two steps, the free movement of grain was never hampered for a moment, nor was there a single failure in the whole trade.

"P. D." was a crowder, a pusher. He recognized that procrastination was prevalent in the human family, and that the man who got in first was the man who won. Quick judgment plus quick action, was his formula for success. "Jump in while the other fellow is hitching his pants up and drawing a full breath," he would say. He got down to work an hour earlier than any competitor; he made hay before sunrise.

"Impossible?" he once cried to Dave Simpson, his picturesque purchasing agent. "Why, man, nothing in the world is impossible!"

The most spectacular of the elder Armour's triumphs against time, circumstances and the machinations of man was his shattering of the attempted wheat corner in the market of '93. At that time Mr. Armour was handling the grain end of his business himself. On account of the panic, cash grain in Minneapolis and other Northwestern grain centre was selling at such great discounts under the Chicago May future that a tremendous profit lay in buying the up-country grain and selling the Chicago May against it. Mr. Armour bought several million bushels in the Northwestern market.

At the same time a rival combination bought up all the cash grain in the Chicago market and refused to move it out. The law required all grain to be kept in registered elevators. This piece of strategy by the combine did not leave elevator room in Chicago for Armour to move his Northwestern wheat down for delivery. The combination smiled, expecting to crush him to the wall and establish a corner.

With sixteen hundred cars of wheat waiting on the C. M. & St. Paul Railway, three hundred boatloads frozen into the ice of Lake Michigan, and no elevator room in Chicago, Phil Armour suddenly discovered that he was up against the crisis of his life.

This was late in March; under the exchange rules the wheat must be in public elevators and delivered during May.

"I build an elevator to hold it!" declared Armour.

"It will take six months," architects and advisers told him.

"It won't!" snapped back the packer.

That noon he called in a contractor. By five o'clock, pencil plans of a three-million-bushel elevator had been drawn; by seven o'clock electric lights had been installed and execavations begun in a plot on Goose Island to which the packer had not yet even obtained the lease. Snow and hail were driving down with blizzard intensity, and it was pratically impossible to blast or pick to advantage. Not a brick or stone went into the foundation.

The Chicago World's Fair was on, with construction labor at a premium. The packer's agents scattered broadcast, placarding the West with signs which offered double the market price for carpenter labor. Work continued day and night. In just forty-two days the elevator was receiving grain at the rate of two or three hundred thousand bushels a day. The combinations had thrown up their hand—and their corner.

There was a fierce simplicity in everything that Phil Armour did. He was too much of a believer in straight-to-the-point methods to be a good diplomat, and demands for diplomatic action were usually entrusted to one of his lieutenants. He took his ethics straight.

"If the religion of the Armour mission will be sixteen ounces to the pound, but undenominational, all-wool and a yard wide," he once declared, "it makes no difference to me whether its converts are baptized in a soup bowl or in the Chicago River."

When Philip Danforth Armour died, sixteen years ago, the firm which he had founded was doing an annual business of $150,000,000. To measure the success of the son who picked up the reins, one might point to the records for 1915, which show sales amounting to $450,000,000, with the half-billion mark looming up for the 1916 figures, which at this writing have not been compiled. But I doubt very much that J. Ogden Armour would want his success measured in just that way.

SIR EDWARD HOLDEN ON WAR FINANCE

Eminent British Financier Contrasts the Sound Basis of the Empire's War Expenditures With the Superficial Scheme of Germany.

All who have been following the developments of the world financial situation influenced by the great European campaign, will find much of interest in the annual speech of Sir Edward Holden to the shareholders of the London City and Midland Bank on the occasion of the annual meeting. Sir Edward dealt particularly with the methods by which Great Britain has been meeting the obligations of the campaign, as compared with the artificial financing of Germany, the one on a permanent basis and the other designed merely to meet the emergency; also with the steps taken to maintain the basis of exchange between England and the United States on a basis favorable to the execution in America of large munitions contracts. The main portions of the address were as follows:—

As we stood to-day, we were in the midst of great economic phenomena. Our country was overflowing with money and credit. Large profits were being made, due greatly to increased prices, and our working classes were earning larger wages than ever before; some were spending freely, others were saving. The same conditions prevailed in Germany, and reviewing the position, one was inclined to ask, "How was this credit created, and where did the money come from?"

He went on to show in detail how bankers were great manufacturers of credit, and explained how nearly all the loan transactions of banks created credit. The making of loans and the creation of credit might go on continuously were it not for the fact that all the credits were diffused among different people who paid them to their accounts with their banks on condition of repayment by the banks on demand or at short notice. Those two conditions compelled the banks to hold sufficient liquid resources to meet the repayment of any credits which were demanded from them. If, as the result of his explanation, they understood that loans created credits and that adequate reserves must be held to protect those credits, then they would understand the principles on which the banking systems of the whole world were carried on. Of course, the loans took different forms, such as short loans, advances to industry and commerce, bills of exchange discounted, treasury bills bought, investments in exchequer bonds, investments in long loans and in various other ways, and the credits created were repayable on demand, at short notice, and sometimes at long terms.

Examining the statements of the Bank of England, he showed that the bank had created between 29th July, 1914, and the end of December, 1916, credit to the extent of over 105 millions sterling, and that during two years of war, nineteen of our principal banks had created 124 millions of banking credit. He then proceeded to analyze the Government borrowing, showing how the Government had created credit and how it had been responsible for some of the banking credit which had been created since the war began. The Government had borrowed between August, 1914, and December 31st, 1916, over £3,000,000,000. Whenever a Government loan had been brought out, the custom had been for the amount of the loan applied for to be taken in instalments from the joint stock and other banks and placed to the credit of the Government with the Bank of England, for the Government to pay their indebtedness out of such credits to their creditors and for such creditors to place the amount received to their credit with the banks again. There was a limit to the size of a loan if it were to be paid up in full. Loans were made payable by instalments and at arranged periods in order that each instalment might have time to get through the Bank of England, through the business firms and back into the banks before another instalment was required. There was no disorganization of banks' reserves when the Government borrowed on treasury bills, exchequer bonds and other short-term securities, because the amounts lent on them, although withdrawn from the banks, were not of sufficient weekly magnitude to inconvenience the reserves of the banks before they were again replenished by the return of the withdrawals.

Circulation of Capital.

He explained how the Government had been able to borrow such large sums by referring to the revolutions of a wheel. The banks placed in the wheel the payments they made to those customers who had subscribed for the loans; the wheel carried these payments to the credit of the Government with the Bank of England and the subscribers received their securities; the Government then placed in the wheel, cheques, in payment of commodities received and services rendered, for conveyance to their creditors, and the creditors then used the wheel to carry these cheques to the credit of their accounts with their banks, which reestablished the banks' reserves and prepared them for another instalment. This procedure had gone on daily and weekly with the short securities and periodically with the two long-term securities. He went on to explain that banking credit was created when Government loans were taken up by banks on their own account, or when banks made advances to their customers to enable them to subscribe for such loans, because the cash, which had been taken from the bankers' reserves to subscribe for the loans, ultimately came round again to the banks and formed new deposits. When, however, bank depositors used their deposits to subscribe for loans, those deposits were merely transferred to the Government, and, after disbursement by the Government, found their way back to the joint stock banks through the accounts of the Government contractors. There was here no creation of credit, but merely a transfer from the subscriber to the Government, from the Government to the contractors, and from the contractors back to the banks. The same deposit was capable of being driven round the wheel continuously so long as its different owners were willing to take up Government loans, and during each revolution of the wheel an additional amount of loan was paid for.

The observations he had made showed clearly how, with total deposits of about £1,100,000,000 in the banks of the United Kingdom at the beginning of the war, the Government had been able to borrow over £3,000,000,000; and further that, when the Government issued loans, and such loans were taken up either by customers of banks or by banks themselves, the operations were carried through by using for a time bankers' reserves.

The German System.

Proceeding, he compared the war currencies of England and Germany and showed how the note circulation had increased in both countries. Turning to Germany, he examined in detail the constitution of the Reichsbank, the institution in which the whole German financial system is centralized and which acts as the central bank for most of the great joint stock banks of Germany.

He said that the direction of the Bank was actually under the control of the Kaiser, through his Minister Herr von Bethmann Hollweg, and that the Banks' operations could be directed along whatever lines he chose to dictate. In addition to its function as the bank of issue for the Government, the Reichsbank carried on an ordinary banking business. In times of peace, its notes were secured according to Law by gold bullion, or coin, Imperial Treasury Notes, and current German money to the extent of one-third of the Notes in Circulation, but since the War, by the Law of August 4th, 1914 they had added another form of cover, viz., The Notes of the Darlehnskassen, that was of the small Loan Banks which had been established in different parts of the Empire and at which advances on all kinds of securities might be obtained. The custom of the Reichsbank, however, had always been to maintain a minimum of 33 1-3 per cent. in Gold only against its Notes in circulation and they would observe both the efforts which had been made to maintain this cover and the success which had attended them. When, therefore, they spoke of the Reichsbank Notes being secured, they meant secured by gold only. When the war began in July, 1914, the amount of such Notes in circulation was about 94 millions sterling, and by the end of December, 1916, they had reached a total of 403 millions, an increase since the beginning of the war of about 328 per cent. The Gold held by the Reichsbank on July 23, 1914, was 68 millions, being a percentage of 71.7 to the Notes in Circulation, and by the end of December, 1916, the Gold amounted to 126 millions and the percentage had fallen to 31.3. Every return of the Reichsbank since the beginning of the war, with the exception of the one issued on December 30, 1916, showed that the traditional cover of one-third of Gold to the Notes in Circulation had been maintained.

During the grogress of the war, the Reichbank authorities had foreseen that there would be a tremendous increase in their Note Circulation, and that it would be absolutely necessary for them to put forth extraordinary efforts gradually to increase their Gold as the Note Issue increased. He had told them on a previous occasion of some of the methods which they adopted to increase the Gold holding of the Reichsbank, and he would recapitulate those methods, adding others since introduced. Travelers had been stopped at the frontiers and their Gold taken from them in exchange for Notes. The Clergy had preached from the pulpits urging the people to give up their Gold and take Notes. Gold ornaments had been melted down and the metal sent into the Reichsbank in exchange for Notes. The soldiers had been given certain privileges in exchange for any Gold which they could collect. More recently the holders of hoarded coins were threatened that the Gold in the possession of the Bank would be recoined and the design changed, and that their hoarded pieces, would no longer be regarded as currency. In this way, it was hoped to drive into the Reichsbank a considerable portion of the hoarded Gold coin, said to amount to about 30 millions, but apparently the proposal had been abandoned as impracticable. Again, with a view to collecting Gold in the form of plate, jewelery, etc., estimated to contain Gold to the value of 100 millions sterling, the whole country had been agitated and Committees had been appointed in every town and village to urge the surrender of ornaments. Offices had been established where Gold might be handed in and Reichsbank Notes given in exchange, and inscribed iron medals were given to those who delivered up their Gold. The counterfeiting or circulating of these medals was severely punished by Law. It was also urged that pearls and other valuables be delivered up, so that they might be sent to Neutral Countries in payment for credit. And, finally, they heard that people were to be asked to make a declaration on oath that they had no gold in their possession, and that if they declined to make it, their names were to be posted up in public places. In view of the decline in the raito of gold to circulation, it was quite evident that, in order to maintain their gold covering of one-third, it had been necessary to use every possible method for increasing the gold holding of the Reichsbank. He went on to show the causes which contributed to the increase in the note circulation and the part played by the Reichsbank in assisting the Government. If the Government required accommodation from the Bank, it gave the Bank Treasury Bills, which were discounted and the proceeds were placed to the credit of the Government's account. This credit was drawn off largely in Bank Notes to pay Government indebtedness and the notes thus got into circulation. He showed how the loans and discounts of the Reichsbank increased from 53 millions before the war to 511 millions sterling in December, 1916, and how the notes increased from 94 millions to 403 millions sterling, causing a fall in the ratio of gold to circulation below the traditional minimum of 33 1-3 per cent.

Analysis of German Loans.

Germany has adopted the principle of long term loans, and had on the occasion of each loan sought to gather up and consolidate as much of the floating debt as possible. After examining the terms of each loan he said the total subscriptions to the five German War Loans amounted to £2,360,000,000, which together with her floating debt would raise the total of Germany's war borrowings to over £3,000,000,000. It should be noted that interest on these loans is not subject to taxation at the source. The number of subscribers to the loans appear to have been as follows:—To the first Loan: 1,177,235; to the second Loan, 2,691,060; to the third Loan, 3,902,059; to the fourth Loan, 5,279,645; to the Fifth Loan, 3,809,976. How came it that Germany had been able to raise so large a sum in Long-term Loans and at so uniform a rate and price of issue? Realizing that she was isolated from the rest of the world, and that the task of assisting to finance her weaker Allies would devolve on her, Germany recognized that she would need every ounce of her financial strength. She accordingly developed intensive propaganda methods to insure as great a success as possible for her Loans. The issue of each loan taught her fresh lessons from which she hoped to profit in her subsequent issues and, for some time previous to the issue of the last loan, we saw her putting into practice the measures and devices which past experience had suggested to her.

American and Foreign Loans.

He then went on to speak of the marked change which the war had created in America, detailed the inflow of gold into that country pointy out that the Allies had not only found gold for providing the base for the loans to themselves, but in addition had given the American Banks the power to increase their domestic loans as well as to make loans to other countries which loans had hitherto been made by London. He estimated that the total foreign loans granted by America since the beginning of the war to December 1, 1916, amounted to 460 million sterling of which 423 had been borrowed by England and her Allies. He went on to explain the Federal Reserve Banking System showing the methods by which large amounts of gold had been locked up. After a close examination of the recent developments he said it must be admitted that in 1915, when the Exchanges fell down to 4.50 it seemed almost incredible that the Allies working together would be able to keep the London-New York Exchange at 4.7650 or thereabouts, but it was to their credit that they had achieved what at that time appeared to be impossible. It had been done by the Allies pooling their gold, and they estimated that between July 1, 1914, and December 31, 1916, they had contributed no less than 212 millions of gold out of total gold imports into America amounting to about 232 millions sterling. After the Allies had so handsomely contributed to the Gold Reserves of the United States, thus facilitating the exportation of American commodities to the extent of 1,913 millions sterling between July, 1914, and November 30, 1916, it seemed difficult to understand why the Federal Reserve Board should have endeavored to place difficulties in the way of American Bankers creating further loans, and particularly when they could have had collateral security for any new loans. He then examined the American trade figures and their effect upon the Exchanges, showing by some interesting statistics how these had been maintained.

PERSONAL

SIR JOSEPH BEECHAM, the pill manufacturer, left an estate of over five millions. He transferred all his rights in his American business to his son, Harry, of Brooklyn, N.Y., who also gets a share in the English company.

W. T. ANDERSON, for many years treasurer of the Canadian Express Company, Montreal, who died on Monday after an illness of three weeks, was a brother of J. Morley Anderson, of the brokerage firm of Tousaw, Hart & Anderson, of Montreal.

A. F. MACKINTOSH, of the well-known firm of J. C. Mackintosh & Co., Halifax, was on Monday last elected a member of the Montreal Stock Exchange. For some time the seat of the firm has stood in the name of the former floor member, Mr. Howard, who is now Halifax manager for McDougall & Cowans.

W. E. FOSTER, head of the wholesale firm of Vassie & Co., St. John, has accepted the leadership of the Liberal party in New Brunswick, and is conducting a very active campaign. The provincial elections following the recent reconstruction of the government are on in full swing.

SURGEON - GENERAL CARLETON JONES, is no longer director of the Canadian Medical Services. He has been appointed Canadian medical commissioner, and it is announced that he will proceed to Canada shortly, for the purpose of co-ordinating the services to meet the demands at the front, after which he will return to England and carry out such duties as the overseas minister may assign to him.

SIR MELBOURNE TAIT, former chief justice of the Superior Court of Quebec and father of Sir Thomas Tait, died rather suddenly at his home in Montreal, on Saturday last. Few of his friends knew of his serious indisposition, and the news of his passing came as a great shock to his friends. Sir Melbourne Tait was a distinguist lawyer before he ascended the bench, and he won a high place as a jurist.

SIR FREDERICK WILLIAMS-TAYLOR, general manager of the Bank of Montreal, received word last week that his son, Lieut. Travers Williams-Taylor, had been wounded while serving with the British forces in the Mesopotamian campaign. The cable stated that no details were available yet, but would be forwarded at the first opportunity.

W. H. CHASE, of Wolfville, Nova Scotia, who has just been appointed a director of the Porto Rico Railways, Limited, is one of Nova Scotia's most prominent financiers. He is a director of the Nova Scotia Steel Co., and is the largest apple exporter of the Maritime Provinces.

A. L. DAWE, for several years associated with the Howard Smith Paper Co., of Montreal, has been appointed secretary of the Canadian Pulp and Paper Association, and will devote his entire time to the work. THE FINANCIAL POST understands that the association is about to open offices in the Shaughnessy Building. Mr. Dawe has a thorough knowledge of the pulp and paper business, and will, no doubt, find ample scope to make use of all his knowledge in his new position. The work of the association in the past has mainly devolved on the various committee chairmen, and they have only been able to give the necessary time at great personal inconvenience.

MAJOR HAMILTON GAULT, organizer of the famous Princess Patricia Light Infantry, arrived in Montreal this week, with one leg gone at the knee, and bearing other scars of battle. Major Gault's gallant record as a soldier is well known. He was twice seriously wounded, and was offered the command of the battalion on no less than three different occasions. Only a remnant now remains of the original Princess Pats, whose record is one of the glorious chapters of Canada's participation in the present war.

THE HON. RALPH SMITH, British Columbia's Minister of Finance, whose death occurred suddenly at his home at Victoria, B.C., this week, was probably better known throughout Canada because of his efforts on all questions of interest to the laboring class than he was as a financier. Born at Newcastle-on-Tyne, he started to work in the coal mines as a boy and followed the life of a miner until 34 years ago when he came to Canada owing to his health. Settling on Vancouver Island he again went into the mines, where, as the result of his study of politics and social economy, he soon became a leader. For six years he was the official agent of the miners of Nanaimo district and was sent to the legislature as their representative. In 1900 he was elected to the House of Commons from the same constituency. In 1904 and 1908 he was elected to the Provincial Legislature, and became Finance Minister when the Liberal party swept the province last fall.

SIR EDWARD KEMP, K.C.M.G., recently honored by the King, is president of the Kemp Manufacturing Company and the Sheet Metal Products Company, a Director of the National Trust Company and the Imperial Life Assurance Company. He was President of the Toronto Board of Trade, from 1899 to 1901, and President of the Canadian Manufacturers Association in 1895-6. In 1906 he was appointed a delegate to the 6th Commercial Congress of the Empire. Sir Albert made his first entry into politics in 1900 when he was elected member for East Toronto. He held his seat until 1908, when he was defeated, but in 1911 he was returned again. In the campaign of 1911 he contributed materially to the defeat of the reciprocity pact. He became a member of the Borden Cabinet, as Minister without portfolio, following this election, and upon the resignation of Sir Sam Hughes was named Minister of Militia.

ONTARIO POWER SCANDAL

London Financial Journal Criticizes Narrow Policy of Provincial Government.

The attitude of the FINANCIAL POST in connection with the Hydro Commission's development schemes in Ontario, has again been supported by *The Financier*, of London, which makes some pointed remarks about the socialistic tendencies of the Ontario Government. In quoting THE POST'S recent editorial on the subject of heavy capital expenditures under the prevailing financial conditions, it is pointed out that there is evidently more concern being shown for the welfare of the province than for the Dominion or the Empire. We quote:—

The Socialistic Government which now controls the Province of Ontario is more concerned with the welfare of the people of that Province than with that of the Dominion of Canada or of the Empire. Otherwise it would not be light-heartedly proceeding with the scheme for an enormous expenditure of public money on works which might very well have been deferred until after the end of the war. In this it runs counter to the wishes of the Lieutenant-Governor of Ontario, whose Christmas message contained a grave warning as to the inexpediency of promoting unnecessary public works at this juncture. It will be remembered that the program of the Hydro-Electric Commission, who are the nominees of the Ontario Government, involves the expenditure of a sum of from 20 to 30 million dollars for a power plant on the Chippewa River, where it joins the Niagara River above the Falls, and 10 million dollars for a fresh transmission line. To accomplish this project they have ridden roughshod over the rights of the British investors who subscribed to the bonds of the Electrical Development Company of Ontario on the faith of a contract which was subsequently set aside by an Act rushed through the Ontario Legislature. The plan also involved the construction of a hydro-radial railway system throughout the Province, and, incredible as it may seem, this hare-brained scheme is being persisted in, notwithstanding the urgent need of the Empire for the capital, the labor and the materials that will be absorbed by this purely local undertaking.

The proposal has been sharply criticized by the Canadian financial press, and it is fitting that the attention of British investors should again be drawn to the scandal. In proceeding with this big expenditure of public money on "improvements" which are of little more than parochial value the Hydro-Electric Commission is doing a disservice to the Ontarians who are serving with the Colors, including many of its own employees, and is setting a bad example to public bodies throughout Canada. The provision of radial railways throughout the Province may be advisable, though, as THE FINANCIAL POST OF CANADA points out, there is absolutely no proof that such railways would pay working expenses, but their construction at the present time would be little short of a crime against the welfare of the country. Our contemporary goes on to show that before the war Canada had in the aggregate spent a disproportionate amount of her resources in actual means, and had seriously strained her credit by excessive public works, especially railways. Steel is just now not only at a high price, but every pound which is made is needed for the purposes of the war. The demand for money for the purposes of the war is also heavy, so heavy as to cause anxiety to everyone who takes a serious view of the future. Yet, in spite of these facts, says THE POST, we have a few persons who have never exhibited any real sagacity in public life urging the expenditure of immense sums of money and the addition to the demand for steel of very large quantities at this tragical moment. Surely it is time that these "few persons" were called sharply to account by the responsible authorities at Ottawa, who have it in their power to prevent the perpetration of a grave injustice to the credit of the Dominion and to the brave Canadians who are fighting for the Empire.

The annual report of the Toronto Hydro-Electric Commission, issued in July, contained no mention of this contemplated expenditure. The hydro-radial railways project was not even referred to, but the growth of the City of Toronto was alleged to compel further extensions from time to time. The vague promise was made that "every care will be taken at all times, but especially during the present time of war stress, to limit the extensions within the requirements of a sound and conservative policy." Apparently this promise is to be treated as was the contract with the syndicate which afterwards became the Electrical Development Company of Ontario—that is to say, as a mere scrap of paper. It is true that in its public advertisements the Hydro-Electrical Commission claims that in voting for the by-laws authorizing the hydro-radial project they are not voting money. But they are voting authority to the Commission to incur obligations to an unlimited extent, for which the people will have to pay, and the reputation of the Commission in financial circles is not such that the money will be found on easy terms.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

Capital Trust.

M. P. S., Glace Bay, N.S.—What is your opinion of the Capital Trust Corporation from the investment standpoint?

The annual statement of this company for 1916 is reviewed in another column. The company is a comparatively young one, and has quite evidently been devoting its energies to the extension of its business rather than to making profits. The enlargement of the trust funds under administration is an indication of the success which has been attending an aggressive campaign. The net profits of $5,029 on a capital paid up of $321,489 and a total investment of $334,496 is, of course, very small, but the youth of the company, the development which has been effected, and the prevailing conditions must be taken into consideration. The ultimate success of such companies depends largely upon the personnel of the management and directorate, and in this connection the company stands particularly well. Such names as M. J. O'Brien, Renfrew; Hon. F. N. Parent, Ottawa; Dennis Murphy, Ottawa; R. P. Gough, Toronto; and Lt.-Col. D. R. Street, Ottawa, inspire confidence in the board and its undertakings.

Tabard Inn Book.

W. A. McI., New Glasgow.—In an estate of which I am charged with the settling I find among other securities, the certificates for 16 shares of the Tabard Inn Book Company. It has occurred to me that possibly you might know something about it and I take the liberty of asking if you can give me any information as to its existence or non-existence or where the head office of the company is located.

This company was incorporated in West Virginia in 1908 and originally conducted a bookselling business, operating, under lease, the Booklovers' Library and Tabard Inn Library. In 1912, the company came into ownership of about one-third of the outstanding shares of the Tabard Inn Corporation, over one-half of the Booklovers' Library Corporation, and practically all of the outstanding shares of the Booklovers' Library of New York; also a block of the shares of the American Commonwealth Company. The stock of the different companies was later changed to shares in the Tabard Inn Book Company. The last information of which we have record was for the year ending December 31, 1912. At that time the authorized capital stock was $150,000 of 7 per cent. cumulative preferred and $550,000 of common. The total stock outstanding was $113,250. Par value of shares $10. The officers at that time were, William F. Smith, president; Meredith Hanna, secretary, and George Gaul, treasurer, and the office was at 1302 Filbert street, Philadelphia. Further enquiries regarding this company are being made.

JAPAN'S PROSPERITY.

Eastern Empire Has Been Reaping Great Benefits from War.

Japan's war-time prosperity was emphatically emphasized at the annual dinner of the Silk Association of America, recently held in New York. Dr. Toyokioki Iyenaga, of the East and West News Bureau, who is looked upon as the unofficial mouthpiece of Japan in America, thus referred to the effect which the great conflict has produced upon the Empire of the Rising Sun:—

"As a matter of fact, the war has brought to Japan an era of prosperity never known before. Her foreign trade has already reached the billion mark, counted in American dollars. Her mills, her shipyards, her factories, are busy day and night, and reaping enormous profit. According to the data furnished by a financial expert, the present financial strength of Japan as compared with that before the war, stands in general terms something like this: Bank clearings have more than doubled; industrial and steamship shares have trebled and quadrupled in value; earnings of some concerns have gone up 100, 200, even 300 per cent.; national bonds are up 4 to 6 points; the commercial discount rate has dropped from 8 per cent. to 5 per cent.

"As a result of this boom we witness the striking phenomenon of a nation shouldering a great debt, lending money to the old-established creditor nations of the world. Japan's investments in bonds and treasury notes issued by the Entente Powers since the beginning of hostilities amount to over $200,000,000. And it is calculated that the total sum of about $500,000,000 represents the cash balance to Japan's credit in the international operations she has conducted since the beginning of the war. It is, however, true that these benefits have accrued to Japan solely and entirely by reason of the peculiar geographical position she occupies. It places her, while being a belligerent, in the same situation as the United States finds herself in. And it needs no emphasis of mine that the war has brought to America a prosperity which is far more marked and on a vaster scale than that which has come to the Island Empire of the East."

GOLD TO CUBA.

Fears That It Is for German Account Set at Rest.

In connection with the recent shipment of $500,000 gold to Havana by the National Bank of Cuba, the report that this may be for German purposes has brought the following statement from J. T. Monaham, vice-president of the bank:—

"I cannot possibly see how gold shipments to Cuba can have any relation to those sent to South America, which some papers state may be for German purposes. Cuba is now enjoying unprecedented prosperity, and at this time it is customary to forward large amounts of currency and make use of available credits during the time the mills are grinding, that is, from December to June. Furthermore, since the Cuban Government retired all Spanish and French gold coin, it has been necessary to forward large amounts of gold from here to add to the supply of the new Cuban currency, which amounts to about $25,000,000.

"It is true that shipments of gold have been made to Spain from Cuba, as from here on account of the high Spanish exchange rate, which at present shows a premium of over 6 per cent. on the dollar, but I do not believe even this would induce shipments to Spain if freight and insurance could be had. Therefore, I believe that all gold shipped to Cuba from here will be used exclusively for the needs of the sugar crop, which should be worth this year, at present prices, about $265,000,000. These facts should ridicule the idea that Cuban gold shipments could be for German account regardless of what may be said of those intended for South American republics."

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NEWS OF THE BOND MARKET

UNITED STATES BOND MARKET MARKING TIME

Prices Have Been Sagging Since the War Cloud Loomed Up.

OPINION IS WIDELY DIVIDED

Dependence of Canada on the American Market Makes Conditions There of Vital Importance to Dominion Financiers.

Canada's dependence on the United States bond market during the past two or three years has naturally increased the interest of Canadian bond dealers and investors in that market. Prices on this side of the line have been based for some time back on conditions in the United States, and in consequence these conditions have been carefully watched by those who have had bonds to buy or sell. Just now the United States market is in an interesting and critical condition. The shadow of war is looming over the Republic and the question naturally arises, what will be the effect on the United States, and through her, on Canada, in the event of war.

An excellent resume of the situation appears in the last number of the *Bond Buyer*, of New York, and from this article, the following illuminating excerpts are taken.

Attitude is Confused.

"Considering the situation with regard only for municipals," says the *Bond Buyer*, "the attitude of the bond men is highly confused. One man is bearish, while the next is confident that a week or so will see the end of the present uncertainty and a restoration of trading at the prices of last month.

"The bear points to New York City 4¼'s selling on a 4.15 per cent. basis as against a 3.98 per cent. basis two weeks ago as concrete evidence of a bad slump in values and holds forth that the day of 3¾ per cent. city bonds is past for the present. He feels absolutely sure of war with Germany and even goes so far as to hint at a German-Japanese alliance against us and pictures our bankers selling a joint obligation of Great Britain and the United States to yield 4 per cent. This is the extreme.

Strength of Municipals.

"On the other hand, we find municipal bond men who have not had occasion to trade in New York City bonds and who, consequently, pay less attention to the break in those issues which has undoubtedly been severe. These dealers take a broader view of the situation and are maintaining their prices for city and county bonds, making price concessions only here and there when actual bids are made them for bonds. They do not consider that we are in the war until such a step is actually taken and, while not belittling the seriousness of the President's latest action, they contend that, come good news or bad, municipal bonds are the most attractive security in the land. They are relatively scarcer than any other bond and they alone are exempt from Federal taxation; this latter item being already of some consequence and, in view of the preparedness programme now being almost universally favored, in all probability destined to be of further import through the raising of the income tax rates.

Government Issues.

"The Wilson Administration has shown a disinclination to sell Government bonds. In the excitement of the war menace, Congress has proposed a $500,000,000 issue, but this is not approved as yet and may not be. The income tax is the favorite revenue-producing machinery just at present and there is no reason to believe it will not be made use of to the limit. This alone is insurance against a serious break in municipals. But assume that we get into the war and a big block of United States 3 per cent. bonds is hastily put out, would not our city bonds, even at the highest prices they have sold for in recent months, compare favorably with the Government's at par?

Features of the Week

The flotation of the third Canadian war loan is one week nearer of accomplishment than it was seven days ago. This obvious assertion of fact is practically the only definite news that can be extracted from the bond market. Delete the talk about the domestic loan and there is very little left to discuss. Business continues slack. Some selling of Anglo-French and Russian bonds and sterling debentures is reported and specialists in Western issues state that there is a steady call for telephone and school district debentures, but the regulation municipal bond is sticking. Prices of the latter are said to be easing off somewhat, in view of the absence of demand, and the only safeguard against a more formidable decline is to be found in the paucity of new issues. The news from Ottawa on Thursday, that the Dominion loan would be floated in March is welcomed and, in the opinion of bond men, the sooner it is safely disposed of, the better for general business.

"Consider the available supply of municipals. Five hundred million dollars' worth is the annual output. Many of these are taken by the municipalities themselves for sinking funds. More are absorbed by state school funds, especially in the western communities. Then the savings banks of New York, Massachusetts, Connecticut, and the rest of New England buy up the cream of the issues and the insurance companies take care of millions of second-grade bonds. In the coming year, Postal Savings will probably provide a market for $50,000,000 worth more, and there is yet to be counted the private investor demand, stimulated by three years' intensive advertising of the fact that municipals are trouble-free and tax-free under the income tax laws, as well as being the safest bond in the country."

A Waiting Market.

The bond buyer concludes by stating that the municipal bond market is at present in poor condition. The edge is off and prices will sag. The worst feature of all is that things are apt to drag along in this way indefinitely. Until a decisive development occurs, the bond market must continue to mark time.

WESTERN ISSUES.

Prices Are Strengthening Owing to an Increasing Scarcity.

Increasing firmness in the prices of both telephone company and school district debentures are reported by dealers in this class of security. The average telephone issue is now selling on a 6⅜ per cent. rate, whereas before Christmas these bonds were yielding from 6½ to 6⅝ per cent. The best schools are now going at 6 per cent., as compared with 6⅛ per cent. before the end of the year, while lower grades are at 6⅛ per cent., as against 6¼ per cent. two months ago.

Various reasons may be advanced for this increase in price. The most obvious one would seem to arise from the scarcity of the issues. While January and February are not months when many authorizations are issued by the Local Government Board, yet over a range of months there have not been nearly as many new issues approved as for the corresponding period a year ago. Then, too, the higher yield of these Western issues as compared with the comparatively low yield of Eastern municipals has brought them into greater favor with institutional buyers, who have had to purchase large blocks of war loan bonds at yields under 5½ per cent.

NEW BONDS REQUIRED.

Trade Marks on Debentures Invalidate Them in Eyes of Purchasers.

London City Council at a special meeting on Tuesday, authorized the issuing of new debentures to cover any possible illegality in connection with an issue some years ago. The debentures are to be sold in the United States, and this formality was necessary.

Some years ago, the Huron and Erie Mortgage Corporation purchased a block of city debentures, which were later sold to a Toronto firm. The latter had an offer recently from a New York firm for the bonds, but on examining them it was found that the debentures were stamped with the Huron and Erie trade mark, and the Americans refused to buy.

It is now necessary to substitute new debentures for these in order to get over the trouble about the stamp, and the special meeting of the Council has been called for that purpose. The Toronto firm will pay all the expenses in connection with the matter.

MONTREAL WILL TRY REFUNDING SCHEME SOON

Details of Plan Have Been Worked Out With J. P. Morgan & Co.

TEN MILLIONS ARE INVOLVED

Question is Raised as to Whether Plan Will be of Real Advantage to the City in the Long Run.

The city of Montreal is about to try out a refunding scheme, similar in character to that attempted by the city of Winnipeg. Details have already been worked out with J. P. Morgan & Co., through the Bank of Montreal, and the tentative plan has been approved by the Board of Control. The resolution as passed by the Board reads as follows:—

"That the Bank of Montreal be requested and authorized to agree on behalf of the city to the following conditions proposed by Messrs. J. P. Morgan & Co., New York, for the purchase of civic issues in England, at prices not exceeding the following, viz.: £600,000 4 per cent. loans of 1948-50, at 80 per cent. plus ⅛ commission, £1,600,000 4½ per cent. loans of 1951-2-3, at 87½ per cent. plus ⅛ commission, with accrued interest in both cases, or any portion of the above amounts that may be obtainable.

"The purchase price of securities to be paid by the issue of bonds by the City of Montreal, dated 1st November, 1916, and maturing on the 1st November, 1926, and bearing 5 per cent. interest, payable semi-annually at the agency of the Bank of Montreal, New York.

"The bonds to be delivered to Messrs. Morgan & Co., from time to time, through the Bank of Montreal, in amounts sufficient to yield the cost of securities cancelled in the London Register at the office of the Bank of Montreal, London; the proceeds of the sale of bonds to be estimated on a basis of 98.07 per cent., less 2 per cent. commission, and adding accrued interest.

"The bonds to be negotiated by Messrs. Morgan & Co., by private sale, and any excess in proceeds over the basis of 98.07 per cent. shall be equally divided between the City of Montreal and Messrs. Morgan.

"Messrs. Morgan & Co. to guarantee that the cost of sterling exchange for the transference of the purchase money to London shall not exceed $4.76½ per pound sterling and any lower rate than the above shall be for their own profit and benefit.

"The whole operation to be opened for a period of three months from the 1st of February, 1917.

"In view of the uncertainty of the political situation, both Messrs Morgan & Co., and the City of Montreal will have the right to cancel the present arrangement in face of adverse circumstances beyond their control."

The scheme outwardly looks good. It means a considerable saving in capital, if carried out according to the estimates. However, there are other considerations. The city will be converting long term obligations into comparatively short term obligations and at the end of ten years there will be the necessity of again refunding the debt. Concurrently, interest charges will be heavier. THE POST is not in a position to analyze the proposition carefully this week, but hopes to give the matter the attention it deserves later on.

THE NEXT WAR LOAN.

Impossible for Any Definite Statement to be Made at Present.

Despatches from Ottawa announcing with a considerable amount of definitenes that the third domestic loan would be floated in March, came as rather a surprise to bond circles. It had been understood, following the interview of the special committee of the Bond Dealers' Association with Sir Thomas White last week, that no announcement whatever about the loan would be made until just on the eve of its flotation. The semi-official character of Wednesday's despatches, however, seemed to indicate a change of policy on the part of the Minister; either that, or there was a leak somewhere.

New York has been speculating as to the probability of the Dominion's next financing being done down there, using recent utterances of Sir Thomas White in the House of Commons to demonstrate the possibility of such a step. It is much more likely, however, that the loan will be made international in character. Just at present the rate of exchange is favorable to financing in the United States and there are those who think that Sir Thomas would be well advised to take immediate advantage of the opportunity.

SOURIS SELLS $15,000.

Gets $14,420 for Issue from a Toronto Bond House.

The town of Souris, Man., sold on February 5, to C. H. Burgess & Co., Toronto, an issue of $15,000, 6 per cent., 20-instalment bonds. There were two higher bids submitted, but they were conditional and were not accepted. The following is the list of tenders received:—

R. C. Matthews & Co.	$ 14,550.00
Wood, Gundy & Co.	14,500.00
C. H. Burgess & Co. (awarded)..	14,420.00
Kerr, Flemming & Co.	14,356.50
Nay & James	14,140.50
Canada Bond Corporation.......	13,837.50

In regard to the statement made in the article by C. J. Yorath, City Commissioner of Saskatoon, in last week's issue, that the British Government imposes an inhabited building tax on dwelling houses of an annual value of $100 and upwards, which is levied upon and payable by the occupier, a subscriber submits that the author is in error. Our correspondent contends that the landlord has to pay the taxes referred to. If the tenant pays it he is entitled by law to deduct the amount from the rent. It is, he says, the only legal deduction which may be made from rentals.

The city of Stratford has sold $72,000, 5½ per cent., sewer bonds, due 1945, to R. C. Matthews & Co., Toronto.

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Fifteen-year Industrial Instalment Gold Bonds.
Interest 7%, payable half-yearly.
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Earnings for the past seven years average 15% on the Capital Investment.
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TENDERS WANTED.

Owen Sound, Ont.

TENDERS FOR DEBENTURES.

SEALED Tenders will be received up to three o'clock in the afternoon of Monday, February 19th, 1917, for the following Debentures of the Corporation of Owen Sound. These Debentures are all payable at the end of twenty years, from the date of issue. Interest payable half-yearly at the Union Bank, Owen Sound.

Local Improvement By-law 1771, $3,872.17, interest 5%.
Local Improvement By-law 1772, $8,822.86, interest 5%.
Local Improvement By-law 1773, $593.61, interest 5½%.
Local Improvement By-law 1774, $2,295.14, interest 5½%.

Delivery and funds Owen Sound.

The lowest or any tender not necessarily accepted. All tenders to be so marked and addressed to the undersigned.

A. F. ARMSTRONG,
Town Treasurer.

Owen Sound, Feb. 6th, 1917.

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FIELD OF MUNICIPAL FINANCE

DEBENTURE DEBTS OF B.C. MUNICIPALITIES STATIONARY

Aggregate Increase for 1916 Not a Quarter of a Million.

DISTRICT DEBTS ARE LESS

Capital Expenditures on the Coast Decidedly Less Than It Was During 1915 and Previous Years.

With commendable enterprise, Robert Baird, inspector of municipalities for British Columbia, has already compiled and published a statement of the debenture debts of the city and district municipalities of the provinces, as at December 31, 1916. The showing, in comparison with 1915, is an interesting one. In the case of the 35 cities of the province, the aggregate debt has been increased from $72,525,180 to $73,676,039 or by about 1.6 per cent. In the case of the 28 districts, the gross debt has actually been reduced, it having stood at $22,548,394 at the end of 1915 and at $21,623,064 at the end of 1916, a decline of 4.1 per cent. Combing cities and districts, the gross debt of all municipalities has only been increased by $225,529 during the year, a very remarkable showing.

That expenditures on capital account were very considerably curtailed last year is evident from a comparison with the figures at the end of 1914. The cities of the province had a debenture debt of $69,383,068 at December 31, 1914. This was increased by $3,142,112 during 1915 but by only $1,150,859 in 1916. The districts' debt at December 31, 1914 was $20,125,350. It was increased by $2,423,044 during 1915 but reduced by $925,330 during 1916.

The following tables give interesting comparison between 1915 and 1916:—

City Debts.

	1915	1916
Alberni	$ 79,144.00	$ 70,130.00
Armstrong	150,165.61	150,165.61
Chilliwack	215,591.48	220,254.48
Courtenay	....	....
Cranbrook	358,176.00	259,007.50
Cumberland	9,695.30	9,659.30
Duncan	138,100.00	138,100.00
Enderby	99,500.00	99,500.00
Fernie	424,283.93	428,917.32
Grand Forks	203,800.00	195,300.00
Greenwood	91,500.00	91,500.00
Kamloops	1,247,373.51	1,245,373.51
Kaslo	51,300.00	50,500.00
Kelowna	434,809.00	445,118.00
Ladysmith	96,477.00	96,477.00
Merritt	103,000.00	103,000.00
Nanaimo	963,932.41	1,032,024.87
Nelson	824,703.00	847,960.12
Nw. Westminster	5,919,225.84	5,905,825.84
North Vancouver	3,031,147.00	3,031,147.00
Phoenix	6,000.00	6,000.00
Port Alberni	246,500.00	236,500.00
Port Coquitlam	426,500.00	426,500.00
Port Moody	111,551.00	165,300.00
Prince George	15,000.00	150,000.00
Prince Rupert	2,638,481.77	1,834,568.10
Revelstoke	732,027.21	731,002.51
Rossland	176,000.00	165,500.00
Salmon Arm	140,917.00	140,917.00
Sandon	4,000.00	2,000.00
Slocan	7,200.00	6,600.00
Trail	40,000.00	51,500.00
Vancouver	35,110,968.66	35,584,434.15
Vernon	887,463.28	887,463.28
Victoria	17,540,673.85	18,767,792.80
Total	$72,525,180.85	$73,676,038.39

District Debts.

	1915	1916
Burnaby	$ 3,003,150.00	$ 2,287,150.00
Chilliwhack	22,000.00	22,000.00
Coldstream	138,200.00	138,200.00
Coquitlam	92,500.00	100,675.42
Delta	314,216.99	214,216.99
Esquimalt	427,500.00	427,500.00
Fraser Mills	....	....
Kent	3,240.22	725.96
Langley	....	....
Maple Ridge	....	....
Matsqui	....	....
Mission	....	....
North Cowichan	50,000.00	50,000.00
North Vancouver	1,274,070.50	1,274,070.50
Oak Bay	1,270,294.99	1,273,224.46
Peachland	31,500.00	31,500.00
Penticton	506,800.00	500,800.00
Pitt Meadows	....	....
Point Grey	5,751,744.48	5,552,524.61
Richmond	774,421.50	774,421.50
Saanich	974,969.31	991,769.31
Salmon Arm	2,500.00	2,500.00
South Vancouver	6,686,165.21	6,686,165.21
Spallumcheen	92,921.00	91,821.00
Sumas	3,000.00	1,600.00
Summerland	334,000.00	330,000.00
Surrey	....	....
West Vancouver	795,200.00	772,200.00
Total	$22,548,394.20	$21,623,064.96

Analysis of City Debts.

	1915	1916
School	$ 7,055,462	$ 7,064,624
Streets	6,705,933	6,698,058
Other Non-Rev. pro.	21,469,483	21,092,307
Waterworks	13,469,483	13,274,279
Electric light	2,047,300	2,346,645
Sewers	417,000	475,500
Other rev. producing	414,000	311,000
Local improvements	20,641,504	22,413,623
Total	$72,525,180	$72,676,039

Analysis of District Debts.

	1915	1916
Schools	$ 2,062,075	$ 2,036,782
Streets	9,213,664	8,645,774
Other non-rev. pro.	3,202,806	4,282,074
Waterworks	5,098,718	3,690,675
Electric light	118,800	118,800
Sewers	825,000	825,000
Other rev. producing	110,000	110,000
Local improvements	1,917,329	1,913,958
Total	$22,548,394	$21,623,064

In the advertisement appearing on page 12 of last week's issue, calling for tenders for Owen Sound debentures, an error was made in the amounts involved. The four lots of bonds should have been $593.61; $2,295.14; $3,872.17, and $8,832.86, respectively.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

Feb. 19, Renfrew County.—$100,000 for patriotic purposes in ten-year, 5½ per cent. debentures. Robert J. Roney, County Clerk, Pembroke.

Feb. 19, Owen Sound.—$12,705.03, 5 per cent. and $2,888.75 5½ per cent. 20-year local improvement debentures. A. F. Armstrong, Town Treasurer, Owen Sound. (See advt. page 12.)

BY-LAWS PASSED OR DEFEATED.

Sudbury.—$12,000 for waterworks extensions; $7,000 for electric light extensions; $2,000 for Patriotic Fund, and $5,000 for improvement of the Copper Cliff road, passed by town council, February 8.

Scarboro Township.—$18,500 to cover the cost of installation of a hydro-electric system. Passed by township council, February 12.

BY-LAWS TO BE VOTED ON.

March 3, Midland.—$25,000 bonus to the Midland Dry Dock Company, Limited.

March 5, Preston.—$75,000 guarantee of the bonds of the Preston Car & Coach Co., Limited.

Feb. 20, Chatham.—$5,500 by way of a bonus to the Libby, McNeill & Libby Co. of Canada.

CONTEMPLATED BY-LAWS.

Gleichen, Alta.—A by-law will probably be submitted to the ratepayers to ascertain their opinion on the purchase of the local electric light plant, now privately owned. The proprietor offers the plant for $6,000, and will accept the town's debentures for the amount.

APPLICATIONS TO LEGISLATURE.

St. Catharines.—To authorize the corporation to borrow such sums of money by the issue and sale of debentures (not exceeding in the aggregate at any one time the sum of $50,000) for such term of years as the council may determine, to buy and sell fuel, food and other supplies.

DEBENTURE NOTES.

Kingston.—The city council has been criticized for selling $60,000 of 5 per cent. debentures to an outside purchaser at 97.13, instead of over the counter. It will now test local buyers by offering some bonds at par.

Chatham.—The Finance Committee recommends that $18,500 debentures of the Dominion Sugar Company's grant be sold locally.

SASKATCHEWAN.

The following is a list of debenture applications granted by the Local Government Board during the week Feb. 5th to 9th:—

Rural Telephone Companies — Belfast, $6,600; Cut Knife, $22,000.

The following is a list of debentures reported sold during the week Feb. 5th to 9th:

School Districts.—Teddington, $1,500, W. L. McKinnon & Co.; Orpington, $1,400, W. L. McKinnon & Co.; Foxdale, $1,200, Wood, Gundy & Co.; Harold, $1,800, Goldman & Co.; Malden, $1,200, Goldman & Co.; Holbeck, $1,800, W. L. McKinnon & Co.

Rural Telephone Companies. — Luton, $750, Nay & James, Regina.

BOND SALES.

$1.500 Canada Bread at 93; $700 Canada Cement at 97½; $15,100 Cedar Rapids at 91¼ to 90; $2,000 Dominion Coal at 94; $4,000 Dominion Textile, Series A, at 98 to 97; $5,000 National Breweries at 87; $1,500 Montreal Trams Debs. at 75; $2,000 Ogilvie Flour, Series C, at 103 to 102¾; $1,000 Ogilvie Flour, Series B, at 103; $2,000 N. S. Steel at 88½; $5,000 Rio Janeiro at 85¼; $500 Steel of Canada at 97; $700 Wayagamack at 87½ to 81; $194,200 War Loan at 98⅞ to 97¼; $275,000 New War Loan at 98 to 97.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Date:	Place, Purpose and Purchaser.	Rate.	Term.	Amount.	Price.	Basis
Feb. 8—	Kingston, patriotic, Imperial Bank	5%	20-yr.	$ 60,000	97.13	5.22%
Feb. 9—	Saskatchewan Schools, various	7%	10-ins	8,900	.....	......
	Luton R.T. Co., Sask., Nay & James	7%	15-ins	750	.....	......
Feb. 5—	Souris, Man., Burgess & Co.	6%	20-ins.	15,000	96.13	6.50%
Feb. 14—	Stratford, sewers, Matthews & Co.	5½%	1945	72,000	.....	......
Feb. 8—	South Vancouver, Spitzer, Borick & Co.		3-yr.	475,000	97.00	......
	Total			$631,650		

DEBENTURE DEBT OF ONTARIO MUNICIPALITIES UP

Over Ten Per Cent. Increase Reported Between 1914 and 1915.

POPULATION HAS DECLINED

Assessments Have Been Increased in Towns and Cities, but Reduced in the Townships.

On December 31, 1915, the municipalities of Ontario had an aggregate debenture debt of $211,062,535, with sinking funds on hand of $32,202,362, according to figures compiled by the Bureau of Industries and published recently in Municipal Bulletin No. 10. These totals are divided among the four classes of municipalities in the following proportions:—

	Debenture Debt	Sinking Fund
Counties	$ 4,362,204	$ 336,186
Townships	8,722,980	148,046
Towns & Villages	31,986,026	2,198,193
Cities	170,353,529	29,519,937
	$215,424,739	$32,202,362

As compared with 1914, the debt of these Ontario municipalities showed an increase of $20,067,448, or approximately 10.3 per cent. As the increase between 1913 and 1914 had been from $153,568,409 to $195,357,291, or approximately 27.2 per cent., it is evident that there was a very considerable reduction in borrowing between 1914 and 1915. This reduction was even more marked between 1915 and 1916 and, when figures for the latter year are compiled, it will undoubtedly be found that the percentage of increase will fall well under 10 per cent.

Population Declines.

According to the report, a decline in population between 1915 and 1916 to the extent of 18,068 persons, occurred. This reduces the population of the province from 2,598,320 to 2,580,252. The decline has been most marked in the cities, which have gone back from 1,036,277 to 1,019,627. Towns and villages, on the other hand, have gained from 530,507 to 533,405, while townships have receded from 1,031,536 to 1,027,220.

The relation of population to debenture debt is always interesting. For 1915, as compared with 1914, the per capita debts of the townships, towns and villages and cities work out as follows:—

	1915	1914	P.C.
Townships	$ 8.45	$ 7.57	11.62%
Towns & Villages	60.29	55.85	7.95%
Cities	164.39	154.12	6.66%

So far as assessment is concerned, the following changes are to be noted:—

	1915	1914	Change P.C.
Townships	$ 687,372,853	$687,844,623	—0.07%
Towns and Villages	254,134,688	248,175,630	+2.40%
Cities	1,033,117,544	953,830,677	+8.31%

There has, as might be expected, been a considerable increase in taxation. The total of municipal and school taxes for 1915 was $45,597,756. as compared with $38,578,876 in 1914 and $34,231,214 in 1913; or, in percentages, the increase between 1914 and 1915 was 18.2 per cent., while between 1913 and 1914, it was only 12.7 per cent. The main increase has taken place in the cities, where municipal taxes have gone up from $15,904,292 in 1914, to $20,400,995 in 1915, and school rates from $6,062,050 to $6,559,863.

W. O. Galloway, secretary of the Bureau, again directs attention to the lack of accurate statistics, due to the fact that proper records are not kept by many municipalities. "In some cases," says Mr. Galloway, "there is no record in municipal audits of moneys received from the sale of debentures, or of the expenditure of the same for waterworks, electric light plants, schools, drainage, local improvements, etc. Probably the treasurer does not handle these moneys, and the bookkeeping is done by the local bank."

In view of these facts, it would seem desirable that some more drastic regulations should be enforced to place the finances of Ontario municipalities on a more systematic basis.

City Treasurer Bell, of London, does not expect that the 1917 tax rate will be any larger than last year. The rate will be about 30 mills on the dollar, according to present estimates.

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Manager, E. A. Ouimet
Sec'y-Treas., F. Saint-Pierre

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Montreal, Canada

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50.00 " 43.00
100.00 " 86.00

INDIVIDUAL PURCHASES LIMITED TO $1500.

FOR FULL PARTICULARS APPLY AT ANY BANK OR ANY MONEY ORDER POST OFFICE

JAN. 9, 1917
FINANCE DEPARTMENT
OTTAWA

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A copy sent free on request.

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If you saved $100 every six months for 10 years at 3%, you would receive $347.05 in interest. If you invested the same amount for the same time at 5% you would receive in interest $618.33. The gain at 5% would be $271.28, or 78% in excess of the 3% rate.

Why Lose the Difference

between 3% and 5% or sacrifice 78% of the profits you should derive from your capital. Standard Reliance 5% Mortgage Corporation Debentures are issued in amounts of $100 and upwards. The interest (5%) is payable half-yearly by the local bank in cash on the day it is due. The principal is repayable at a fixed period to suit your convenience. Absolutely safe. No worry or inconvenience.

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1916

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THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO
ASSURANCES $109,645,581 ASSETS $29,361,963 SURPLUS $4,595,151

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

SURPLUS TO POLICYHOLDERS, $1,820,752.82

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED.

Prosperous and Progressive

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

More than 166,000 of its policies are now in force for assurances, totalling over $265,000,000—much the largest amount carried by any Canadian life company.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE
COMPANY OF CANADA
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Furnishes
A Complete
System of
Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
Policies issued from $500 to $5,000. For further information and literature, apply to

Total
Benefits
Paid
42 Million
Dollars

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ASSETS $784,426.31
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HEAD OFFICE, . 33 SCOTT ST. . TORONTO

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INVESTORS' INSURANCE NOTES

LIFE COMPANIES CONTINUE THEIR GOOD PROGRESS

Many Annual Meetings Held During Past Two Weeks.

SOVEREIGN LIFE'S SURPLUS

Comments on Reports for 1916 of Northern Life, Travellers' Life, and Western Insurance Life Companies.

This is the period of the year when the flow of life company annual reports reaches its high water mark. This week, at least half a dozen statements come up for consideration, a circumstance which necessitates a curtailment of the customary comment on these interesting documents. All reports received to date indicate that the prosperity, which was enjoyed by the companies, reporting earlier in the year, has been common to each and every Canadian company. In every case there has been a record-breaking growth in business and a substantial increase in the amount of business in force.

The Sovereign Life.

An increase in the amount of insurance in force for the year 1916 of $630,971 is reported by the Sovereign Life Assurance Company, which has now $6,394,083 of insurance outstanding. This is an increase of almost ten per cent., which compares very favorably with the experience of other companies. The new policies issued and old policies revived amounted to $1,693,450, comparing with $1,668,628 in 1915.

The surplus, which is the keynote of any life company's statement, has been increased during the year from $141,231 to $148,847. This is accountable for, in the main, by a substantial advance in the value of the company's assets. The greatest gain in this particular has been made in the holdings of bonds and debentures, the value of these having been increased from $262,689 to $469,713. From forming 22.1 per cent. of the company's assets, they now form 36.6 per cent. Mortgages show a slight decline, dropping from $591,749 to $576,967, or from 50 per cent. to 45 per cent. of the total assets. The third largest item, viz., loans on policies, shows an advance from $193,949 to $198,669.

The company has added over $100,000 to the reserve against total assurance in force, has placed the sum of $11,500 to the credit of the contingent reserve, and has provided an investment reserve of $45,000 to cover any possible depreciation in the value of its securities. That it is able with these comparatively large appropriations for these purposes to show an increased surplus is matter for congratulation.

The income statement shows premium receipts of $217,079 and interest receipts of $73,145, comparing with $189,893 for premiums and $62,608 for interest in 1915. The gain in gross income was from $252,511 to $290,296, which makes a very satisfactory showing. On the other hand, payments to policy-holders amounted to $69,712, of which $45,905 was in death claims. This compares with $67.639 paid to policy-holders in 1915, with $16.250 in death losses. As $20,881 of the 1916 death losses represented war claims, the showing is not at all out of the way. All other expenses totalled $93,117. This is over $6,000 less than in 1915, and is an evidence of conservative management. There is every reason for policy-holders in this young company to feel satisfied with the progress made during 1916.

The Northern Life.

The statement presented by the directors of the Northern Life Assurance Company to the shareholders and policy-holders of the company at the annual meeting, held in London on Monday last, showed that the amount of insurance written and revived during the year was $2.580,392, which compares with $2,008,210 in 1915 and $2.142,869 in 1914, being the largest total in the history of the company. The amount of insurance in force, viz., $11,181,725, is $780,494 greater than at the end of 1915, a gain of 7.5 per cent.

The company's income was made up of $392,933 from premium receipts; $155,966 from interest and dividends, and $90,659 from other sources, a total of $639,559. This is approximately $125,000 more than was received in 1915, being a gain that any company might be proud of. There were, however, heavier claims for death losses. The amount disbursed on this account was $56,505 in 1915 and $66,334 in 1916, while unsettled claims, carried as a liability, were increased from $11,867 to $26,939. Total payments to policy-holders, including death claims, increased from $99,490 to $119,598, and other expenses, including dividends to shareholders, from $180,190 to $218,149, yet notwithstanding these enlarged disbursements the excess of income over expenditure was increased from $234,253 to $301,812, indicating a most satisfactory state of affairs.

The Northern Life shows a considerable drop in its surplus this year. At the close of 1915, the surplus over all liabilities and capital was $139,343. At the end of 1916, it is shown to be $101,514. The decline, however, is merely nominal, for it is to be noted that an addition of $40,000 has been made to the contingent reserve fund, which more than covers the loss in surplus. More than that, the policy reserve has been enlarged by $184,921, bringing it up to $2,052,826. Either of these items might readily have been shaded to provide an increase in surplus, and it speaks well for the company that it has had the courage to place these matters in the right light.

It is to be noted that assets have been increased from $2,531,027 to $2,823,784, the principal increase being in bonds, debentures and stocks. These have been enlarged from $496,569 to $780,073, the latter figure representing present market value, not book value. Doubtless were these securities figured at their book value, as is done by many companies, a considerably better showing in the matter of surplus would be possible. Altogether the Northern Life report appears to be a most conservative document, showing solidity and careful management.

Travellers' Life of Canada.

In its 1916 statement, the Travellers' Life Assurance Company of Canada reports 1,112 policies issued and revived, representing insurance of $1,582,983, and net insurance in force at December 31 of $3,719,391. These figures show up very favorably with the 1915 experience, when 820 policies were issued and revived, representing insurance of $1,555,446, and the net insurance in force at the end of the year was $3,292,204. The gain in insurance in force was thus $427,187, or 13 per cent., a high percentage of increase.

Assets exhibit an increase from $275,682 to $346,814, and of the latter amount nearly $100,000 represents investments in bonds of the Dominion and Allied Governments. Total liabilities, not including paid-up capital stock, are $242,546, comparing with $178,711 at December 31, 1915. There is thus a surplus of assets over liabilities of $104,268. Capital stock paid up stands at $112,500, which means that the surplus is rapidly approaching the point where it can be shown as exceeding all liabilities, including paid-up stock. Policy-holders are, of course, protected as well by the uncalled capital, which amounts to $486,660.

The company's income is growing nicely. Net premium receipts show a gain from $102,369 to $122,890 and interest receipts from $11,665 to $15,031. Total income has advanced from $119,785 to $146,371, or an increase of 21 per cent. Payments to policy-holders, which amounted to $9.897 in 1915, were up $27,665 in 1916, including war losses of about $13,000. Expenses were increased from $59,092 to $63,748, a very reasonable amount. The excess of income over disbursements was $54,957, as against $50,796 for 1915.

WESTERN LIFE.

While the Western Life Assurance Company does not report as large a business as in 1915 and, while the total insurance in force is slightly less than it was a year ago, yet in practically all other respects the company makes a satisfactory showing. The gross cash income from premiums and interest, for instance, was larger by over $2,000, amounting to $51.862. Assets have grown from $172,663 to $255,566, or 48 per cent. The surplus, excluding capital, is up from $85,353 to $157,893, a gain of 85 per cent. The reserves held for

Continued on page 15.

PROFITS ARE MAINTAINED BY GREAT-WEST

Premier Western Life Company Did Big Business During 1916.

SURPLUS EARNINGS REDUCED

War Claims Amounted to Nearly $400,000, But Were Met With Facility and Profits Undiminished.

With its income increased from $4,779,490 to $5,594,041; the amount of its insurance in force advanced from $119,466,067 to $133,016,448; its assets enlarged from $19,204,545 to $21,702,570; and its surplus grown from $2,874,796 to $3.005,169, the progress of the Great-West Life Assurance Co. for 1916 has been pronouncedly forward and upward.

The Great West Life, pre-eminently a Western company, not unnaturally carries a preponderating proportion of its assets in mortgages on real estate. During the year this important item has been enlarged from $12,241,676 to $12,995,437. Referring to this investment, Alexander Macdonald president of the company, stated at the annual meeting last week that, "out of this large sum it is inevitable that in a few cases it should be necessary to proceed to foreclosure and, on two properties sold during 1916, we have to record a loss of $57.01. Several other properties were, however, sold at a profit, so that there was a small net profit from sales in the year."

Bond Holdings Increase.

Holdings of stocks and bonds, which only amounted to $1,344,973 at the close of 1915, were increased during 1916 to $3,244,762, absorbing the bulk of the monies released for investment. Purchases were made up principally of war bonds of the Canadian and British Governments. Loans on policies, the third largest item in the statement of assets, exhibit a slight increase, being enlarged from $2,752,322 to $2,988,504. Outstanding and deferred premiums, it may be noted with satisfaction, are placed at $797,686, as against $839,272 a year ago.

The company's receipts have been considerably larger than in 1915. Premiums and annuity consideration amounted to $4,237,775, compared with $3,632,688 for 1915. Interest payments totaled $1,351,015, compared with $1,141,170 in 1915. These heavier receipts are partially accounted for by the greater prosperity of the country. "The high price obtained by the farmers for their crops," remarked Mr. Macdonald, in this connection, "the cessation of speculative activities and the favorable condition of business generally are evidences that Western Canada has never before been on so solid a basis of prosperity."

War Losses Heavy.

War losses have been heavy and death claims, in consequence, have been considerably larger. The company's statement, as issued, does not itemize payments to policy holders so that it is impossible to say how much of the $1,725,197 allotted to policyholders was in settlement of death claims. The directors' report refers, however, to the fact that war claims amounted to $393,337 and that total claims were 78 per cent. of the amount provided under the mortality table. In 1915, the company paid death claims, including $67,398 accrued in previous years, of $501,818 and total payments to policyholders of $1,280,823. The deduction is that not only were death claims much larger in 1916 but that profits to policyholders were continued on a liberal scale.

The effect of the war is also noticeable in the amount of death claims outstanding. These were shown as $93,571 in 1915, whereas at the end of 1916 they stood at $267,741. The mortality and contingency reserve of $300,000, set aside in 1915, has been maintained unimpaired.

On account of the extra mortality arising from the war, the surplus earnings for the year were somewhat smaller. Wherever in 1915 they amounted to $973,678, the largest in the history of the company, last year they also came to $690,488

Western Assurance
Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - $ 4,000,000.00
Losses paid since organization over - - $63,000,000.00
W. R. BROCK, President. W. B. MEIKLE, Vice-President and General Manager. C. C. FOSTER, Secretary.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE
FIRE
INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

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For ten successive years The Great-West Life has written the largest Canadian Business of any Canadian Company—quite a reason why you should make yourself acquainted with Policies so popular.

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Assets, Over - - - $ 2,500,000.00
Losses Paid Since Organization Over - - $39,000,000.00

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Established 1837. Incorporated [illegible]
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AUTHORIZED and ISSUED .... [illegible]
Paid-up Capital..£2,000,000
Reserve Fund....£1,960,000 Together .... [illegible]
Reserve Liability of Proprietors....... [illegible]
Total Capital and Reserve .... [illegible]
Head Office: 71, CORNHILL, LONDON, E.C.
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Incorporated by Royal Charter 1727.
Paid-up Capital - - £2,000,000
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Cashier and Gen. Manager, Adam Tait. Secretary, A. K. Wright.
London Office, 3 Bishopsgate, E.C.
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Glasgow Office, Exchange Square.
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REAL ESTATE AND MORTGAGES

PERMITS FOR LAST MONTH SHOW INCREASE

Improvement Pretty Evenly Divided Between Eastern and Western Cities

TORONTO HAS LARGEST GAIN

Year Starts Off Favorably for the Building Trades, With Indications of Much Greater Building Activity.

The year 1916 starts off with an appreciable improvement in building activity. The total of permits issued during January by thirty-four cities was $1,101,142, as compared with $735,606 for the same cities in January, 1916, an increase of $365,536. As January, 1916, was, as regards new permits issued, about on a par with January, 1915, it is a safe deduction that business in building lines is now established on a much more satisfactory basis.

The improvement appears to be pretty well divided between Eastern and Western Canada. Twenty-three Eastern cities register a gain of $258,391 over January, 1916, while about half that number of Western cities show a gain of $107,145. The per city increase is, therefore, about on a par between East and West. The improvement in the West is the more noteworthy, in that for January, 1916, Western cities were behind, while Eastern cities were ahead.

Coming down to an examination of the returns for the individual cities, variations as usual are in evidence. Toronto again holds first place with a gain of $195,290. Montreal comes second, its increase being $75,735. Quebec, with $56,393 increase, and Moose Jaw, with $50,575 increase, occupy third and fourth places respectively. The largest decline is reported by Lachine. This city had permits of $64,230 in January, 1916, but only $2,515 in January 1917, so that its loss is $61,715. Windsor, with a drop from $44,300 to $22,650, was the second heaviest loser. There were, however, comparatively few losses and the majority of the reports, especially from the West, show gains.

BUILDING PERMITS FOR MONTH OF JANUARY.

(Eastern Cities.)

	1917	1916	Change
Maritimes—			
Halifax	$ 20.005	$ 24,880—$	4,875
Sydney	2,800	3,000—	200
Quebec—			
Montreal	249,895	174,160+	75,735
Quebec	117,938	61.545+	56,393
Westmount . ..	4.615	1,000+	3,615
Lachine	2,515	64,230—	61,715
Ontario—			
Brantford	2,000	Nil +	2,000
Chatham	800	9.500—	8,700
Ft. William ...	50	Nil +	50
Kingston	4,340	2,700+	1,640
Kitchener	275	5.000—	4,725
London	14,435	19,230—	4,795
North Bay	Nil	350—	350
Ottawa	54,650	44,225+	10.425
Peterborough. .	11.625	Nil +	11,625
Port Arthur ..	21,276	700+	20,576
St. Catharines .	4,428	17,073—	12,645
St. Thomas ..	5,200	300+	4,900
Stratford	1,780	3,530—	1,750
Toronto	394,880	199,590+	195,290
Welland	2.515	4,613—	2,098
Windsor	22,650	44,300—	21,650
Woodstock	710	1,065—	355
Total 23 E. cities	$ 939,382	$680,991+	$258,391

(Western Cities.)

	1917	1916	Change
Manitoba—			
Winnipeg	$ 68,450	$ 19,500+	$ 48,950
Alberta—			
Edmonton	500	4,850—	4.350
Lethbridge	2,640	15,675—	13,035
British Columbia—			
Nanaimo	1,250	400+	850
N. Westminster.	1,200	1,600—	400
Vancouver	29,045	8,315+	20,730
Oak Bay	280	Nil +	280
Victoria	3,820	1,850+	1,970
Saskatchewan—			
Moose Jaw	51,000	425+	50,575
Regina	2,200	1,650+	550
Saskatoon	1,375	350+	1.025
Yorkton	Nil	Nil	Nil
Total 11 W. cities	$ 161,760	$ 54,615+	$107.145
Grd. T'tl 34 cities	$1,101,142	$735,606+	$365,536

A BIG PROFIT.

New York Real Estate Operator Makes Remarkable Deal.

As an illustration of how shrewdly-handled real estate investments can be made to pay, the following story of a remarkable transaction in New York is worth repeating. Last June, August Heckscher acquired the Tiffany Studios property at the corner of Madison avenue and 45th street for $1,010,000. Recently he leased the property for $3,000,000. This amount pays for the use of the site for the next twenty-one years. Todd & Robertson, who have leased the property, will erect a twenty-storey building at a cost of $1,500,000.

It is one of the most profitable investment deals which have been negotiated for some time. Mr. Heckscher, a shrewd investor, when offered a profit for his contract last summer, refused to accept it, explaining that he thought he saw a great future for the corner. According to the recent deal, Mr. Heckscher will receive $142,858 every year for the use of the property. Two years' rent will equal the amount of money which Mr. Heckscher put into the property last June. The records show that $800,000 of the purchase price remains on mortgage. The net profit to Mr. Heckscher from the deal is $75,000 a year. In other words, during the first twenty-one years of the lease Mr. Heckscher will profit to the extent of $1,575,000.

APPROPRIATION CUT.

Toronto People Interested in Property That Would Have Benefited.

As a result of a protest made by some of the papers in the United States, Congress has cancelled a bill providing over $100,000,000 to be spent on public buildings, rivers and harbors, and so on. It was freely charged that the greater portion of this money was graft, or "pork." Among the appropriations was one of $4,000 to improve the Kissimmee River in Florida, which the New York *Sun* alleges runs dry eight months in the year. In the Kissememe district is a real estate promotion which is controlled in Toronto.

BUILDING DELAYED.

Toronto's New Department Store Held Up for Lack of Steel.

That work on the new departmental store to be erected at the corner of Yonge and College streets, Toronto, has for some reason been held up, is evidenced by the fact that lessees of premises in that block have been offered renewals of their lease for one year, with a three months' notice promise. The impossibility of securing the necessary steel is said to be the cause of the delay.

Rental signs are posted in some of the stores in the block and holders of leases there admit the offer for renewals of their present leases. It is reported that the Government has been given first call on all steel products for munition purposes, but this is not taken seriously by steel men.

ST. LAMBERT LAND CO.

Favorable Report Presented at Recent Annual Meeting.

The statement presented at the annual meeting of the Montreal and St. Lambert Terminal Development Co., reported active assets of $107,104, and passive assets of $227,853, a total of $406,023. The surplus of assets is $32,265. The company is at present building a number of workingmen's cottages on its Brooklyn Park property. There has been no enquiry for building lots recently.

The report of the president, A. G. B. Claxton, deals with the bonded obligation as follows:—

"You will note that in 1916 the company retired $63,000 bonds — a larger amount than in any previous year. The bond issue has been reduced to $89,000, and as your directors have placed in the hands of the trustees, the National Trust Company, Limited, for the redemption of these bonds $21,001.43, there remains under $70,000 to be provided for. Outside of the balance due on the bond issue, the company has no liabilities.

AMENDMENT ASKED.

Changes in the Alberta Moratorium Act Being Petitioned for.

A petition now being circulated in Calgary will come before the Legislature at its present session, asking for amendments to the Moratorium Act. It has already been largely signed, according to a report from Calgary, and property owners in general have signified their approval of an effort to secure relief from existing conditions. The petition asks for "reasonable and necessary protection," and suggests that a maximum rate be fixed for interest charges on mortgages that were in force before the passing of the Act. As a reason for this request the petition mentions the greatly decreased earning power of mortgaged property since the war. It is understood that the securing of signatures will be completed shortly and that the petition will then be forwarded to Edmonton for submission to the Legislature.

Changes in the Moratorium Act are also being asked for by the Union of Alberta Municipalities, which wants its provisions to apply only to soldiers and sailors actually enlisted in the overseas naval and military forces, or in the armies and navies of the Allies. Hon Wilfrid Gariepy in behalf of the Government, has promised that the request will be considered, but in his conference with the deputation of mayors and municipal officials who waited on him recently, he was entirely non-committal as to the likely action that would be taken in the matter. It was also asked that in order to facilitate the carrying out of tax sales, soldiers' and sailors' property be not excluded from the list, but that such bona fide soldiers and sailors be given until eighteen months after the conclusion of the war to redeem their property, and that redemption be arranged so that the costs attached will be borne by the respective cities, towns and villages.

BUILDING SOCIETY'S REPORT.

The report presented at the annual meeting of the Peoples' Mutual Building Soicety, Class B, held at Montreal, on Tuesday evening last showed that the society has loaned to its members, during the year the sum of $39,427, including the premiums of $10,727, making a total of $731,907 loaned during the 24 years of its existence. Profits at the rate of 6 per cent. were credited to the members' accounts. The officers were re-elected as follows: President, Wm. Geraghty; Vice-president, A. Watt; Trustee, M. J. Walsh; Sec.-Treas., E. C. Cole; Solicitor, M. Goldstein; Notary, B. Hutcheson; Valuator, J. P. Anglin.

A half-section of raw land lying a mile north of Claresholm, Alta., was sold recently at $50 an acre.

The Board of Trade of Galt is moving to secure a partial exemption of taxes on new houses built for working men.

W. J. Holden, late of Nottawa, has purchased a block of land, comprising two and one-half acres, in the west end of Collingwood, and on it will erect a number of working men's houses. The property will be divided into fifteen lots, with a small park in the centre.

LIFE COMPANIES CONTINUE THEIR GOOD PROGRESS.

Continued from page 14.

security of policies in force, notwithstanding that such policies are less by about $200,000, now stand at $90,102, as compared with $81,514 at the end of 1915.

The company's better showing in the matter of assets is due partly to increased receipts from policyholders. These amounted for the year to $42,292, and presumably the bulk of this sum has been invested. The company also shows as an asset the sum of $132,456 due from shareholders, which compares with a corresponding figure of $72,561 a year ago. Cash holdings are larger, while investments in bonds and debentures are up from $4,743 to $36,566. Mortgage loans are about the same.

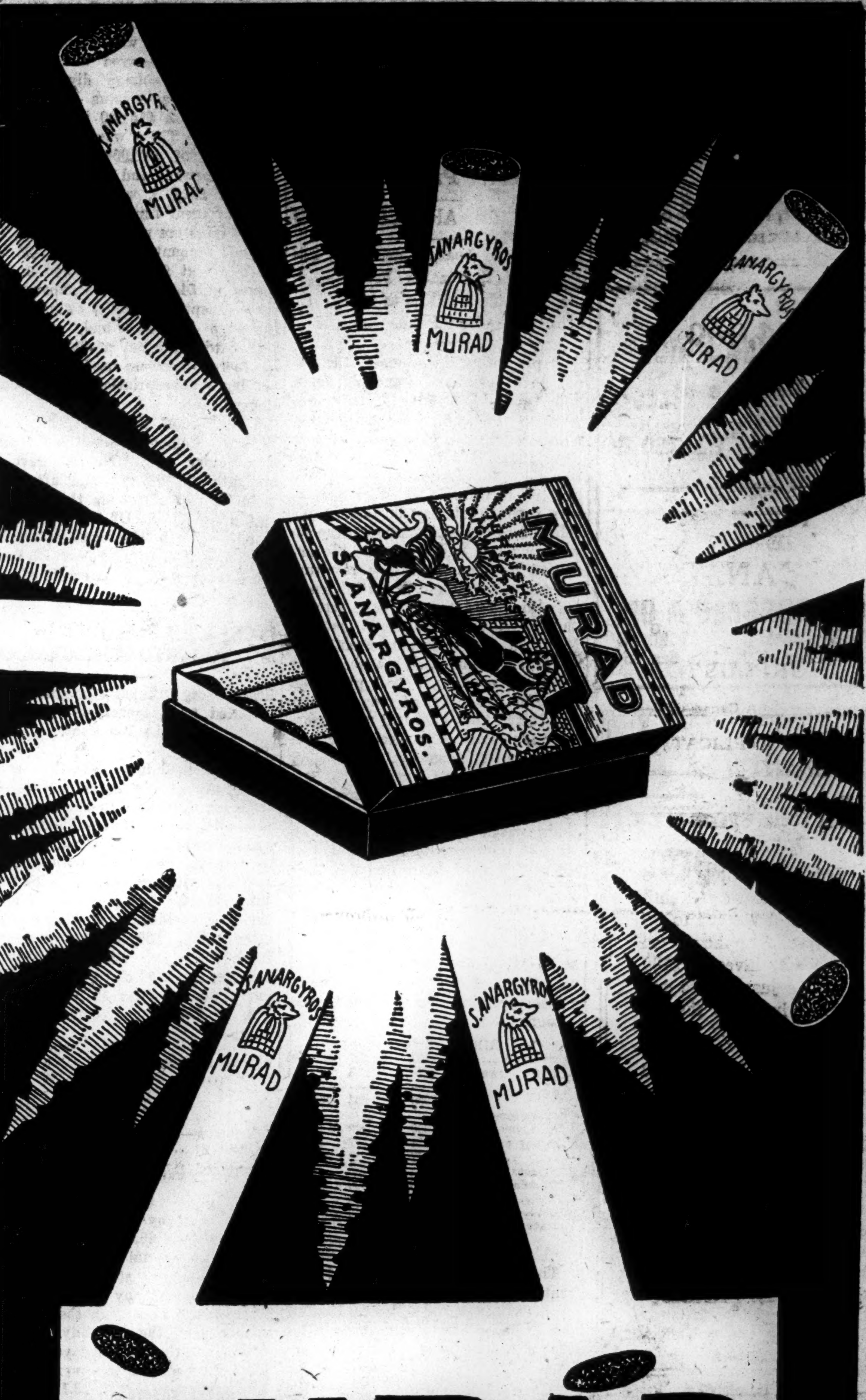
During the year the company had to meet death claims of $10,105, of which $6,105 were war claims. This leaves $4,000 in ordinary claims which compares with $3,750 in 1915. Expenses of management are shown as being $33,176, which is over $3,000 less than in 1915.

The company issued new policies and revived old ones to the amount of $426,848, and has now 1,596,469 in insurance in force.

J. P. Moore, secretary, the Mutual Life and Citizens' Assurance Co., Montreal, states that he has received a cablegram from Australia to the effect that the company has subscribed a million pounds to the fourth commonwealth war loan, the total subscriptions of the company to these war loans being over $20,000,000.

Consideration of the report of the Western Empire Life Assurance Company, is given on page 17 of this issue.

Special attention will be given to the report of the London Life Insurance Co. in next week's issue of THE POST.



MURAD CIGARETTES

TO-DAY—

at this very hour—more smokers are trying Murads for the first time than all other high-grade cigarettes combined.

Almost 100 per cent of these new Murad smokers continue Murad smokers.

What is happening to-day has happened every day since Murads were first introduced.

What is responsible for this?

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Small Investments

It is a fallacy to suppose that one must wait until he has thousands to invest. The income on a wisely invested $100 can be just as safe and more lucrative than if uninvested.

We would like to send you our suggestions for the investment of your idle funds.

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WAR AND CROPS AFFECT LONDON AND CANADIAN

President Refers Interestingly to Conditions Which Have Prevailed.

OPERATIONS ARE RESTRICTED

Reduction of Loans Outstanding Reflected in Smaller Profits—Large Addition to the Rest Fund.

In presenting the annual statement of the London and Canadian Loan and Agency Company to the shareholders, President Thomas Long briefly explained some of the factors which were responsible for a reduction of the earnings and which have affected the profits of other companies doing a similar business. He referred to the continuation of the devastating war in Europe and the unsettled business conditions resulting therefrom as being a direct influence. He also commented that crop returns had proved disappointing in Ontario, Manitoba and Saskatchewan, and stated that somewhat lower interest rates on mortgages had prevailed. However, the returns for agricultural profits had been high and mortgagors were thus enabled to meet their payments in a generally satisfactory manner.

Profits of $359,080, compared with $374,127 in the previous report. After the payment of expenses, taxes, dividends, and providing $75,000 for the rest account, there was a balance carried forward of $8,018, which compares with $23,734 brought forward. The rest fund now amounts to $800,000, which makes a very satisfactory comparison with the paid up capital of $1,250,000. Following are comparative figures of the income account:—

DISTRIBUTION OF PROFIT.

Gross earn.......	$366,102	$374.127	$359,080
Balance forward.	17,828	35,375	23,734
	$383,930	$409,503	$382,814
Distribution—			
Management ..	$ 19,629	$ 19,348	$ 20,491
Agency exp. ...	27,334	21,587	25,433
Interest	139,067	138,722	133,123
Red Cross	......	1,100	2,950
Dividends	99,998	100,000	100,000
Taxes	1,826	5,010	17,799
Rest	60,000	100,000	75,000
Balance	35,375	23,734	8,018
	$383,930	$409,503	$382,814

The profits represented 12.7 per cent. on the capital and 8.0 per cent. on investment, as compared with 14.7 and 9.8 per cent., respectively, for the previous year. Following are comparative figures of the record for the past five years.—

FOUR YEARS' EARNINGS.

	Gross earnings	Interest and exp.	†Net profit	*% of earned	% of cap.
1912 ..	$325,891	$184,666	$140,384	9.9	14.0
1913 ..	351,056	181,995	169,061	9.8	13.9
1914 ..	366,102	186,731	177,546	9.6	14.2
1915 ..	374,129	180,758	188,361	9.8	14.7
1916 ..	359,080	181,997	159,284	8.0	12.7

*Earned on capital, reserve and balance at credit of profit and loss.

†After deduction of provincial, municipal, and war tax.

The Balance Sheet.

A review of the balance sheet will prove generally satisfactory to shareholders, considering the conditions which have prevailed. Reflecting the situation as described by the president, there has been a further decrease in loans outstanding of about $160,000, and of over $150,000 in cash holdings, while securities are considerably increased. Assets altogether are lower by nearly $200,000. This counterbalanced by the debenture account which is reduced from $2,409,397 to $2,641,910. Following are comparative figures:—

Assets—	1914	1915	1916
Loans	$4,859,957	$4,627,107	$4,463,644
Securities	188,396	241,884	311,927
Call loans	3,115	14,069	80,659
Cash	170,972	263,510	112,723
	$5,222,441	$5,146,572	$4,968,953
Liabilities—			
Capital	$1,250,000	$1,250,000	$1,250,000
Rest	625,000	725,000	800,000
Debent. stock .	414,445	414,445	414,445
Debentures ...	2,807,268	2,641,910	2,409,397
Accrued Inter..	57,482	55,959	55,875
Sundry	7,869	10,523	6,218
Div. Jan. 3....	25,000	25,000	25,000
Balance	35,375	23,734	8,018
	$5,222,441	$5,146,572	$4,968,953

INVESTORS MORTGAGE

Increase Shown in Amount Available for Distribution.

The shareholders of the Investors Mortgage Security Company, of Edinburgh, have received the statement for the year ending September 30, last, showing the amount of profits of £79,029 available for distribution, after providing for interest on borrowed money, which indicates a satisfactory increase under the existing conditions over the previous year when the amount was £78,975. The payment of preferred dividends of £24,028 and common dividends of £35,044, left a surplus of £19,857, compared with £15,300 in the previous report. There was brought over a balance of £17,054, £14,905 was carried forward and the difference, a total of £22,006, was transferred to the contingent fund.

The directors point out that in the revenue account the income from investments at £136,366 showed an increase of £4,350. The company has made exceptional profits owing to the exchange situation and, these together with the net profit on investments realised were used to make up the large appropriation for the contingent fund.

The Second Investors Mortgage Security Company also had a very satisfactory year. The net revenue amounted to £15,888 and after the deduction of dividends there was a surplus of £2,793. Of this £1,841 was transferred to the capital reserve fund and £952 carried forward, making a total of £2,250 at credit of profit and loss.

INCREASED EARNINGS OF TORONTO MORTGAGE CO.

Satisfactory Annual Statement Presented to Shareholders—Profits of 13.1 Per Cent.

A continued increase in the earning power of the Toronto Mortgage Company is shown in the statement presented to the shareholders at the annual meeting this week. Profits of $95,140, compared with $93,038 in the previous report, and with $90,437 in 1914. The payment of an 8 per cent. dividend took $57,964, and, after adding $30,000 to the reserve fund, there was still a substantial balance, the total carried forward being increased from $27,834 to $35,010. Following are comparative figures:—

	1914	1915	1916
Balance forward.	$ 25,287	$ 22,760	$ 27,834
Profits	90,437	93,038	95,140
	$115,724	$115,798	$122,974
Distribution—			
Dividends	$ 57,964	$ 57,964	$ 57,964
Reserve	35,000	30,000	30,000
Balance forward	22,760	27,834	35,010
	$115,724	$115,798	$122,974

The company's total reserve now amounts to $560,000, compared with a paid up capital of $724,550, indicating the very strong position in which this company now stands.

As will be seen from the following summary of the company's earning record for the past five years, there has been a steady improvement. For 1916, the showing of 13.1 per cent. on capital, compared with 12.8 per cent. for 1915, while in investment the return of 7.9 per cent. stood against 7.4 per cent. a year ago:—

Year	Paid up Capital	Profits	% Div.	Profits as cap.	Earn.* rate
1912 ...	$724,550	$77,516	7	10.7	6.7
1913 ...	724,550	86,841	8	12.0	7.3
1914 ...	724,550	90,437	8	12.5	7.4
1915 ...	724,550	93,038	8	12.8	7.4
1916 ...	724,550	95,140	8	12.1	7.8

* Earnings per cent. on the aggregate of the balance at credit of profit and loss and reserve at commencement of the year and the average capital employed during the year.

The effect of high interest rates was reflected in the reduction of debentures outstanding, the sterling being reduced from $1,634,883 to $1,473,918, and the currency from $325,270 to $300,434. Savings deposits were also lower and the total liabilities to the public were reduced from $2,111,818 to $1,918,506. Assets showed mortgage loans reduced from $2,649,297 to $2,256,074, bonds and stocks increased from $433,558 to $666,101, call loans larger by about $55,000, and cash holdings reduced by over $43,000.

LAND TITLES ACT.

Trust Companies Interview Alberta Government on the Point.

A deputation representing the trust companies of Alberta, waited upon the Provincial Government last week and discussed the suggested alteration in the Land Titles Act that they considered would be of advantage to the province. The opinion of what is known as the Moratorium Act in its effects upon land transactions was one of the points brought up.

The deputation which consisted of W. Toole, Canada Life, Calgary; H. A. Howard, Trust & Guaranteee, Calgary; A. G. Scrase, National Trust Co., Edmonton, and G. H. Gowan, Credit Foncier, Edmonton, was received by Premier Sifton, Hon. C. R. Mitchell, Hon. Duncan Marshall and Hon. C. Stewart.

REPORT OF HOME INVESTMENT CO. REFLECTS WEST

Mortgages and Profits Both Show Considerable Reduction.

POSITION WELL MAINTAINED

Large Sum Added to the Reserve Fund, Which Now Amounts to Half a Million Dollars.

The annual statement of earnings of the Home Investment and Savings Association reflects the rather trying conditions which loaning companies have been recently encountering in Western Canada. Altogether, the shareholders will undoubtedly feel satisfied that there has been no more serious decline in profits than from $126,551 to $113,904, as indicated. The profits referred to are brought down after the payment of interest, so that there is no opportunity for showing the effect of the higher rates prevailing for capital as compared with the investments made which, no doubt, largely accounts for the decline in the earnings referred to. War profits taxes of $23,785 were deducted and, with premiums on stock, the gross earnings are indicated at $138,010, which stands against $143,151 in the previous report. Dividends, taxes, etc., and the provision of $25,000 for contingent account, reduced the balance carried forward from $26,508 in the 1915 report to $21,636. Following are comparative figures:—

	1914	1915	1916
Profits	$134,388	$126,551	$113,904
Premium stock ..	30,137	1,305	321
Balance, Less profits, taxes, 1915	3,972	15,295	23,785
	$168,497	$143,151	$138,010
Distribution—			
Dividends	$ 83,067	$ 87,650	$ 88,476
War Tax	......	2,292	1,700
Patriotic Fund ..	......	1,200	1,198
Office furniture ..	4,134	......	......
Agents' guarant..	1,000	500	......
Reserve	65,000	......	......
Continent	......	25,000	25,000
Balance	15,295	26,508	21,636
	$168,497	$143,151	$138,010

Earnings on the capital paid up were at the rate of 11.7 per cent., as compared with 13.0 per cent. in the previous year and a showing of 7.5 per cent. on the investment stood against 8.5 per cent. Following are features of the record of the past five years:—

Year	Paid-up Capital	Profits	% of Cap.	Earned Rate*	Div.
1912	$856,511	$123,845	14.5	10.5	9
1913	862,490	133,571	15.5	10.8	9
1914	969,300	134,388	14.5	9.8	9
1915	981,726	126,551	13.0	8.5	9
1916 ...	984,481	†113,904	11.7	7.5	9

* On average capital employed plus the reserve and balance brought forward at beginning of the year.

† After deducting war profits, tax.

The Balance Sheet.

The reduction of the total assets of the company from $2,526,969 to $2,373,100, is an indication of the somewhat restricted field for operations owing to the conditions prevailing. Liabilities to the public declined from $970,360 to $794,839, largely as the result of the reduction of outstanding debentures which totalled only $375,789 as against $564,999. This change is a reflection of a reduction of the amount outstanding on mortgages—from $2 276,315 to $2,033,471. The reserve fund now amounts to $500,000. Other changes in the balance sheet are indicated in the following comparative figures:—

ASSETS.

	1916	1915	1914
Mortgages	$2,033,471	$2,276,315	$2,385,493
Interest due...	103,959	96,477	56,601
Int. accr'd, not due	9,987	7,212	6,562
Munic. debens.	9,391	10,106	10,788
Real estate ...	137,362	63,348	26,361
Office furn.....	1	1	......
In bank	......	71,073	111,542
Cash	46,903	2,434	6,366
Govt. war bds.	32,028	......	......
	$2,373,100	$2,526,969	$2,603,716
LIABILITIES.			
To public	$ 794,839	$ 970,360	$1,095,634
To shareholders	1,578,261	1,556,609	1,508,082
	$2,373,100	$2,526,969	$2,603,716

James E. Kavangah has been appointed a fourth vice-president of the Metropolitan Life Insurance Company. He will have special charge of group insurance, and will assist Third Vice-president Ayres in the Ordinary Department. Less than twenty years ago, in October, 1897, Mr. Kavanagh was appointed an agent in Toronto. Mr. Kavangah's successor as superintendent of agencies in Canada, is Harry H. Kay, superintendent of the Montreal West district for some years past.

THE ROYAL BANK OF CANADA
INCORPORATED 1869
Capital Authorized - - $ 25,000,000
Capital Paid Up - - 12,900,000
Reserve and Undivided Profits, 14,300,000
Total Assets - - - - 270,000,000
HEAD OFFICE, MONTREAL.
360 Branches in Canada and Newfoundland.
Thirty-three Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela
BRITISH WEST INDIES
ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain and San Fernando; BRITISH HONDURAS—Belize. BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne).
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Bank Bldgs., Princes St., E.C.
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BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS.
SAVINGS DEPARTMENT AT ALL BRANCHES.

THE ROYAL TRUST COMPANY
EXECUTORS AND TRUSTEES
HEAD OFFICE, MONTREAL,
Capital Fully Paid, $1,000,000. Reserve Fund, $1,000,000.
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A. D. Braithwaite
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SHREDDED WHEAT INCREASED ITS EARNINGS 30 P.C.

Company Had a Remarkably Good Year in 1916.

LARGE CONTINGENT RESERVE

An Advance of $96,000 is Made As Provision Against Any Sudden Adjustment of Wheat Market Values.

An increase of over 30 per cent. in gross income, after deduction of operating expenses and taxes, is the remarkable record of the Shredded Wheat Company for 1916 as shown by the annual statement. Such an increase, in view of the generally unsatisfactory conditions which have prevailed in the market for cereal products in relation to raw material, would indicate that this company has been particularly fortunate in its policy and administration. Despite the rising market for wheat, the company has made no advance in the price of its products and this has no doubt been reflected in a large increase in the volume of business as compared with other cereal products where increases have been made. It is understood that the company has been able to adhere to its old prices owing to wise provision in securing supplies of raw material, cartons, etc., and by increased efficiency in production.

The gross income amounted to $1,375,839, compared with $1,015,699 in 1915. After providing for depreciation and reserve the net stood at $1,175,759 compared with $943,110. The showing on the common stock was 11.7 per cent. Dividends required $687,530 and $575,000 was credited to good-will, leaving a balance of $343,827. Following are comparative figures:

PROFITS.

	1916	1915	1914
Gross	$1,375,839	$1,015,699	$1,060,163
Depreciation	57,548	52,589	43,914
Reserved	142,530	20,000	....
Net	1,175,759	943,110	1,016,248
Dividends	687,530	600,000	600,000
To Good-will	575,000	500,000	400,000
Bal. forward	343,827	430,597	587,487

Raw Material Protection.

It will be noted that the amount set aside for reserve at $142,530, compares with only $20,000 in 1915. The amount is made up by a reserve for wheat price protection of $96,800 and for reserve for federal income and Canadian war tax of $45,730. The provision of nearly $100,000 has protection in the event of a sudden readjustment of the wheat market indicates a wise policy on the part of the management. At the present time conditions in the wheat market are abnormal and, although it may be taken for granted that the company will use good judgment in making purchases, the nature of the business demands that future supplies be guaranteed and, under the present conditions, sudden adjustments are to be expected.

It will be noted that there has been another reduction in the company's assets represented by patents, copyrights, trade marks and good will. The good will and patent rights form a very valuable asset in the company's business but their material reduction from time to time, which has been the policy for several years, materially strengthens the company's position.

The company's cash assets have declined from $965,566 to $779,396. However, it is noted that a reserve of $300,000 for wheat purchases in the 1915 statement does not appear in the 1916 statement, having evidently been invested in raw material. This is reflected in the item of accounts, products and materials which stands at $1,473,260 compared with $891,070 in the last report. The item of land, building and equipment has increased from $31,133,003 to $2,921,183. This extension of facilities has quite evidently been amply justified by the earning statement. Following are comparative figures from the balance sheet:

ASSETS.

	1916	1915	1914
Cash	$ 541,896	$ 515,569	$ 345,847
For Div.	237,500	149,997	150,000
For Wheat.	....	300,000	....
	$ 779,396	$ 965,566	$ 495,847
Invested	$ 196,343	$ 196,568	$ 196,568
Cur. Assets.	1,473,260	891,070	1,115,916
Fix. Assets.	2,921,183	2,133,003	1,001,004
Patents, etc.	5,500,000	6,500,000	7,000,000
	$10,870,183	$10,686,209	$10,809,427

LIABILITIES.

	1916	1915	1914
Current	$ 146,326	$ 85,611	$ 71,940
Dividends	237,500	150,000	150,000
Surplus	343,827	430,597	587,487
Reserves	142,530	20,000	....
Capital	10,000,000	10,000,000	10,000,000
	$10,870,183	$10,686,209	$10,809,427

UNITED CIGAR STORES.

Satisfactory Increase in Canadian Business Reported.

A New York despatch says that in January the sales of United Cigar Stores increased $600,000 over those of January, 1916. The sales of the United Cigar Stores in Canada are also increasing and the company about a week ago added to its stores in this province by opening a branch in Quebec, where it is expected that other branches will shortly be opened. In the city of Montreal, the company has increased the number of its branches from three to eight within the past few months, and will, it is understood, shortly open its ninth store. The management reports that business in Montreal is away ahead of that of a year ago.

IMPROVING POSITION OF BELDING, PAUL, CORTICELLI

Dividend Policy Amply Justified and Outlook for the Future Much Improved.

Any lingering feeling of dissatisfaction or resentment with the policy of the new executive administration of Belding, Paul, Corticelli company, which assumed control over a year ago, has, so far as the shareholders are concerned, no doubt been disposed of by the splendid development of the company's earning powers as indicated by the statement for 1916. Profits were shown of $225,126, as compared with $120,474 in 1914, and $102,292 in 1914. The best previous year in the company's history was in 1912 when the earnings before depreciation and charges, amounted to $134,470. Provision for debenture interest, sinking fund, depreciation and a substantial writing off, took $89,141, leaving a balance of $135,984 and a total to carry forward of $232,178. Following are comparative figures:

	1916	1915	1914
Profits	$225,126	$120,474	$102,393
Less:			
Deb. interest	36,976	37,078	37,220
Sinking fund	14,790	14,790	14,888
Deprec.	11,124	9,679	8,001
Written off	26,250	29,317	......
Reserve	......	11,480	......
Total deduct.	$ 89,141	$102,345	$ 60,109
Balance	135,984	18,128	42,283
Prev. bal.	96,193	78,065	35,782
Total bal.	$232,178	$ 98,193	$ 78,065

The amount available for distribution, $135,984, represented slightly better than 10 per cent. on the company's stock, after making allowance for a full year's dividend on the preferred. This showing amply justified the decision of the directors since the close of the company's year to pay off 2½ per cent. on account of dividend arrears amounting to 24½ per cent. and gives reasonable hope for further payments during the current year.

With the large profits referred to and the accumulating surplus of profits, the company was able to materially improve its financial position during the year. Current liabilities were reduced from $448,955 to $352,822 while current assets increased from $1,015,284 to $1.054,740. The surplus as between these two accounts rose to $701,918 from $556,329 at the close of the previous year.

Outlook Encouraging

The president, A. O. Dawson, in his report stated that the sales during the year increased $442,000. The outlook for the ensuing year he described as very encouraging and he expressed the expectation that the position of the company would continue to improve. A good supply of raw material had been secured at favorable prices and there was a slight sign of improvement in the situation as regards labor.

The retiring board of directors was re-appointed with D. R. Kennedy, the secretary, replacing the late F. Paul.

An amendment to the regulations regarding food prices in Great Britain, permits the British Board of Agriculture and Fisheries, after arrangement with the Food Controller, to take possession of any land which in their opinion is not being utilized to the best advantage for increasing the food supply of the country.

The British War Office has prohibited all dealings in stocks of soft sawn timber now in the United Kingdom.

WESTERN EMPIRE LIFE NOW ON A SOLID BASIS

Income for First Time Sufficient to Meet Year's Expenses.

ASSETS ARE PRUNED DOWN

Several Items Carried Previously as Assets Are Wiped Out and all Securities Now Represent Actual Value.

It requires some courage for a board of directors to apply the pruning knife to a company's statement of assets and to show in their annual report a considerable reduction in the value of the company's holdings. Yet it is a step that is bound to strengthen confidence in the minds of all people interested in the company, for it brings the company's affairs that much nearer to the firm foundation of actual worth.

The directors of the Western Empire Life Assurance Company, which has just completed its fifth year of operations, have been revising the company's assets and cutting out a lot of dead wood. As a result, the total shown in the 1916 statement is less by about $22,000 than that exhibited in the 1915 statement. The pruning has been done in the case of two items—viz., shareholders' notes and outstanding and deferred premiums. Shareholders' notes, representing calls upon capital and premium upon capital, which amounted to $96,000 in the 1915 statement, have been reduced to $62,654. The difference has been partly paid in cash, but a considerable balance, about $20,000, has been temporarily wiped out. The notes affected are in the main those given by shareholders who have engaged in military service, and, as it is impossible to collect from these men, it was deemed advisable to remove their notes from the statement of assets. The stock has not actually been cancelled, but it has been set aside, with provision made that holders, on their return to civil life, may pay up their notes and acquire the stock.

Outstanding Premiums Reduced.

The item, outstanding and deferred premiums, has likewise been reduced from $49,542 to $29,914. This amount has now been written down to an absolute minimum, and represents only about 10 per cent. of the total assets, a very good showing for a young company like the Western Empire.

Mortgage loans are slightly less than in 1915, having been reduced from $100,347 to $96,727, an experience quite common this year. Debenture holdings have been increased from $22,312 to $42,070, and policy loans from $5,658 to $12,254. A new item, viz., revenue-bearing real estate, makes its appearance, the amount involved being $14,009. The property was transferred to the company by the mortgagors to save the expense of foreclosure, with an option of redemption any time up to March, 1919.

Assets in Good Shape

The statement of assets, taken as a whole, represents solid value. All amounts are interest-earning except $15,424. This means that 95 per cent. of the total assets are producing revenue at a rate in excess of 7 per cent.

It must be gratifying to policyholders and shareholders alike to find that in 1916 the ordinary revenues of the company were sufficient to meet all disbursements, including the requisite additions to the reserve. The income from premiums and interest amounted to $72,500, as compared with $62,700 in 1915. Expenses of management were up slightly from $46,315 to $49,274, and payments to policy-holders from $4,187 to $11,503. For the first time in the company's history it was unnecessary to use one dollar of the shareholders' money to make up a deficiency.

Called Capital Reduced.

The subscribed capital of the company is now shown as $564,600, against $623,700 last year, the called capital $141,150, against $155,925 in 1915, and the paid-up capital $130,232, against $135,773. The surplus, excluding capital, has been reduced from $196,533 to $146,370, this being the result of the paring down of the assets already referred to. Taking the called capital into consideration, the net surplus over all liabilities and capital is about $5,220.

The Western Empire wrote new insurance and revived old insurance in 1916, to the amount of $616,968, which compares with $615,700 in 1915. The total insurance in force at the end of the year was $2,703,768, as against $3,076,400 at the end of 1915. This reduction, occasioned largely through the wiping out of insurance on which deferred and outstanding premiums had been cancelled, is not to be regarded as a sign of declension. As a matter of fact, the average premium on business in force is considerably higher, which indicates that a better class of business is being written.

Altogether the position of the company may be regarded as much more satisfactory than it was a twelvemonth ago, and continued developmen may confidently be expected.

N. S. BUYS FARMS.

Government Adopting Schemes to Accommodate Returned Soldiers.

"We are buying up a lot of farms through the Annapolis Valley. We will divide them into twenty-acre lots, and the soldier who desires to take up farming will be offered such a lot to work upon," said George E. Corbett, of Annapolis Royal, N.S., recently, according to the St. John *Globe*. "We are asking the Provincial and Federal Government to assist us in the work, and if they refuse, then we will buy the farms ourselves and hand them over to the returned men," he added.

He said the first step in the movement was the amalgamation of all the western Nova Scotia Boards of Trade. One of the prime factors governing the amalgamation was to provide some scheme whereby the returned soldier could be speedily and profitably, both to the man himself and the community, assimilated on his return from the firing line.

RURAL RUSSIA PROSPEROUS ON ACCOUNT OF WAR

The Peasants Are Earning More and Are Wasting Less.

PLANS FOR DEVELOPMENT

Signs That the Whole Country is Awakening, and That War Will be Followed by Rapid Expansion.

Offerings on this side of the Atlantic of Russian securities, in the shape of internal government war bonds, have attracted the particular attention of the Canadian investor. Apart from other features, the Russian bonds have held interest from the fact that, owing to the exchange situation, they have been offered at a price far below the normal, thus offering the opportunity for large profits should the value of Russian money in this country return to par. Future developments alone can decide the trend of exchange, but it is reasonable to suppose that there will be a material improvement with the end of the war and the opening of the Dardanelles. At the same time, Russia will for many years require heavy investments of outside capital, which will not show an immediate return in actual production, if she is to develop those vast potentialities which have so long remained dormant. In view of the interest of holders of these Russian bonds and investors generally, some attention may well be given to the domestic developments which have been taking place in Russia since the outbreak of the war. Investigation reveals nothing but what is reassuring as to Russia's ultimate ability to meet whatever obligations **she may undertake for the prosecution of the campaign and the development of her resources.**

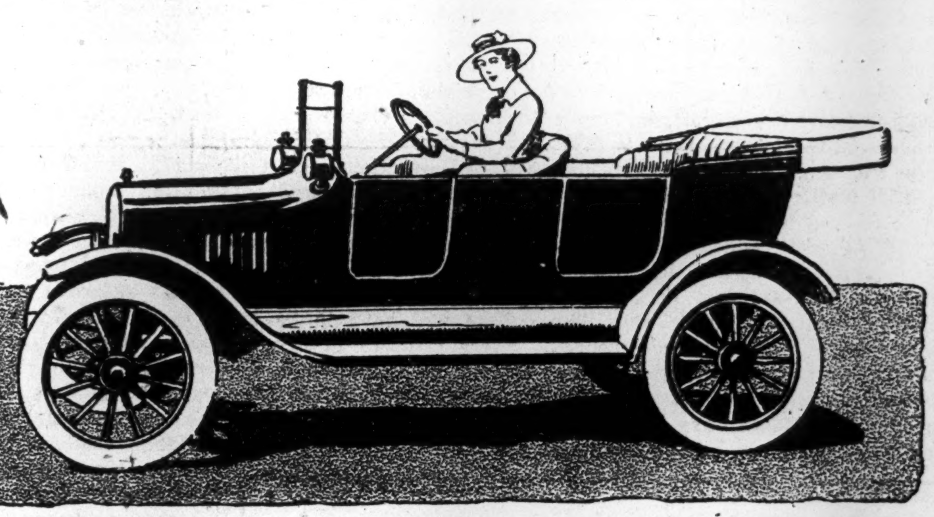
During last year economic issues received attention in Russia such as they have never aroused in the past. On every hand there was evidence that the war is making Russia prosperous. Figures submitted by T. Bart, the Minister of Finances, show that in the first six months of 1916 the deposits in the commercial banks of Russia increased from 864 to 4,732 million roubles. This is an increase of 3,868 millions, or about 450 per cent., in half a year. The Minister of Finances tells of the unprecedented activity and growth of the small credit institutions. Their discount loans amounted on July 15, 1916, to 4,250,000,000 roubles. He also refers in a recent report to the developing interest of the large classes of the population in the Government financial undertakings. This has been reflected in the fact that internal war loans have become more and more successful in Russia.

The internal war loans have been made for the purpose of meeting war expenditures. In 1914 the Government raised in this manner 15,600,000,000 roubles; in 1915 about 6,000,000,000 roubles were raised by popular subscriptions and short term notes, and in 1916 there was procured internally about 8,500,000,000 roubles. Russia's war expenses today average about 1,000,000,000 roubles a month. The expenditure in 1916 totalled about 12,870,000,000 roubles, according to the calculation of M. Bart. In 1917 there will be demanded, if the war continues, not less than 15,000,000,000 roubles, according to the figures of the same authority. On January 1, 1917, Russia had expended on the war a total of 22,500,000,000 roubles, and of this only about 22 per cent. had been lent to her by her allies.

Evidences of Prosperity

There have been many evidences of

Continued on page 19.



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30

PROBLEMS OF RECONSTRUCTION AFTER THE WAR

A Discussion of Plans for an Undertaking of Great Proportions.

UNITED STATES INVESTIGATES

American Industrial Commission to France Gives Interesting Information as to Conditions in War Stricken Area.

W. W. NICHOLS
Chairman, American Industrial Commission to France

Industrial reconstruction in Europe will be a gigantic undertaking to engross the minds of eminent students in more than one line of thought, and its progress will doubtless be influenced by as many theories as there will be minds to evolve them. Accordingly at the very outset I feel it incumbent to disclaim any special competency to treat adequately the broad subject assigned to me. I am sufficiently perplexed and embarrassed in discussing the probable industrial reconstruction in France alone, after having had the benefit of a fairly close but brief contact with present conditions there, for I feel that I may be credited with an intimate acquaintance with those conditions to warrant in the minds of my audience a safe theory if not a prophecy.

I wonder if we realize what it would mean to have an important industrial section of our country devastated ~~by the fierce conflicts of~~ warring hosts? France had herself forgotten most of the terrors of such a cataclysm. When we reflect that she has to-day in her possession over 750 towns in the war zone demolished wholly, or in part, with a greater loss otherwise than this implies, and that more than three times that number of towns besides four of her cities of over 100,000 population each are still held by the Central Powers, we may comprehend somewhat the magnitude of her problem of rehabilitation, not of buildings and their contents, relatively a small matter, but the difficult reorganization of working forces, methods, and all that which composes and sustains industrial life. The Commission in its report publishes a list of industries, furnished in detail by the National Commission for the resumption of activities in the invaded district. This list includes under textiles, twenty-five different industries; under agricultural, eleven; under mines, metallurgical, mechanical and electrical construction, thirty-eight; and miscellaneous, twenty-five industries; this concerns what before the war engaged the activities of probably one and a half million workmen producing perhaps two billion dollars of product.

Furthermore, it should be noted that reconstruction is France is not by any means confined to the invaded districts; in fact, it is a fair question whether the greater task is not elsewhere.

Plans have been made which contemplate the early development of water power, according to official estimates amounting to approximately 750,000 H.P., with 3,000,000 H.P. more in prospect; a development, because largely for manufacturing purposes, which may afford immense opportunities for almost every product of American industry.

The Touring Club of France, in co-operation with local associations and hotel men in resort sections, proposes to rehabilitate the resort hotel system along modern lines to conform closely to the American idea; this might easily create a demand for American hardware and American hotel equipment of all kinds if we choose to develop it. As this plan involves an estimated expenditure of over $100,000,000, our manufacturers concerned can decide for themselves whether or not it deserves attention.

France looks to us as the superior exploiter of labor-saving machinery to help her to deal with what she expects to be the most difficult phase of her reconstruction, namely to find adequate means to offset a great deficiency in her former manual labor. She estimates this deficiency will actually be 1,500,000 men, and to this ~~must be added serious impairment of~~ effective personal service by the loss of limb, sight or other sense. Her dependence upon female substitutes, now saving the nation, can obviously be only a temporary expedient which as long as it lasts will restrict national progress in vitally important respects. In fact, France is so impressed with the gravity of this situation that at the outset this constituted the principal reason given for our Commission's visit.

What the requirements in this particular will be no estimate at this time can foretell, for the needs of replacements alone can only be rudely guessed. It is estimated, however, that in the replacement of textile machinery alone between 75 and 100 million dollars will have to be expended. Every estimate in this regard is necessarily predicated on assumptions largely speculative from the very nature of present conditions. An estimate prepared by the statistical department of The National City Bank of New York, published in *The Americas* of July last, probably gives as accurate a conception of requirements as any estimate can before the completion of hostilities—because it is based usually upon official records.

In any case, about all that can be said is that in these particulars the figures are so enormous and represent something so much beyond machinery productive capacity for any but a long period of time—for example, it is figured that $600,000,000 will be required for the replacement of industrial property in the French war zone alone—that the results of any calculation constitute a commentary on a condition so unprecedented in history as to occasion bewilderment. When in addition to this one considers the serious deterioration of machinery everywhere, due to an extraordinary tax on production and a tax frequently met by unskilled operatives, rehabilitation generally means something so enormous as to vitiate any theory that may be advanced. No one can know anything about it.

Machine tools and textile machinery of every type are not by any means the only requisite, for by an easier calculation there is made known in agriculture an imperative need for 17,200 farm tractors, 125,000 plows, 10,000 thrashers, a large number of harrows, cultivators and other implements; urgent requirements that cannot possibly be produced by France alone.

And so I could continue to mention wants of a kind that transcend enormously any of past history. At every turn the Commission discovered a demand which can be met by American enterprise—often in the most unexpected manner; what seemed trivial sometimes proved a discovery of prime importance.

Belgiums Needs.

A word only as to the seed of Belgium after the war which is now a subject for hopeful consideration upon the part of its able minds in collaboration with the Allies and a government in exile. There is little duobt but that the destruction wrought is sufficiently complete to justify the plans contemplated and submitted to the Commission by the Belgian Chamber of Commerce in Paris, which involves not merely buildings and equipment for all sorts of industrial purposes, but raw materials and even finished products to a large extent. Necessities in these particulars are believed to be so pressing that it is proposed to accumulate in advance supplies of this kind to be instantly available when Belgium shall be free from the invader. The unshaken confidence in their future displayed by the Belgian gentlemen responsible for these plans was touching in the extreme.

It is very evident that to furnish France and Belgium what will enable them to resume their former industrial activities will test available resources for several years to come; to meet depletions in practically every direction of national life that we saw ourselves will tax to the utmost and for a long time all the cleverness for which the French are noted:—former normal conditioss of life have been so wrenched and distorted that all Europe after the war will have to adjust itself to altogether new conditions. There are many reasons why dumping low cost products into our market appears not only improbable, but impossible, for many years to come. Will dumping, considered as it always is in its unfair significance, ever occur? Let us see.

If the world is to continue in the spirit of the vile contention which has wrought such fearful destruction not confined by any means to battle lands, but which has disrupted and demoralized much more than mere industrial organizations which took years to build, then with others we must devise all sorts of protective measures to prevent, or is it to create, evil schemes in retaliation and other reactionary devices which destroy but never construct. If, on the other hand, we can be actuated by high principles of humanity to co-operate with other nations for a general prosperity and a common progress, the ills which excite our minds to-day will never arise.

The British Ministry of Munitions has ordered that, except for the execution of existing contracts, no person shall deal in lead without a license.

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Northern Life
Assurance Company
of Canada

Has found 1916 to be a year of
SPLENDID PROGRESS
as the following figures will show

	1916	1911
Assets at 31st December	$ 2,823,784	$1,622,102
Income for year	558.716	363,190
Surplus 31st December	101.514	53,135
Policies Issued and Revived	2,580,392	1,933,945
Insurances in force 31st Dec.	11,181,726	7,856,197
Policy Reserves 31st December	2,052,827	1,088,947
Paid to Policyholders	119,598	39,861

The Company is extending its organization, and is prepared to offer advantageous terms to competent producers.

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Principal repayable 1st October, 1919.

Interest payable half-yearly, 1st April and 1st October by cheque (free of exchange at any chartered Bank in Canada) at the rate of five per cent per annum from the date of purchase.

Holders of this stock will have the privilege of surrendering at par and accrued interest, as the equivalent of cash, in payment of any allotment made under any future war loan issue in Canada other than an issue of Treasury Bills or other like short date security.

Proceeds of this stock are for war purposes only.

A commission of one-quarter of one per cent will be allowed to recognized bond and stock brokers on allotments made in respect of applications for this stock which bear their stamp.

For application forms apply to the Deputy Minister of Finance, Ottawa.

DEPARTMENT OF FINANCE, OTTAWA
OCTOBER 7th, 1916.

KOPS BROTHERS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 12th day of January, 1917, incorporating James Frederick Edgar, barrister-at-law; Lily Mae Lewis, stenographer, and Norman Robert Tyndall, draftsman, of the City of Toronto, in the Province of Ontario; James Edward Maybee, of the Village of Port Credit, in the said Province of Ontario, patent solicitor and George Patrick Mackie, of Birch Cliff Post Office, in the said Province of Ontario, bookkeeper, for the following purposes, viz.:—(a) To carry on the business of manufacturing, buying, selling and dealing in corsets and wearing apparel in Canada and elsewhere; (b) To manufacture, buy, sell and deal in goods, and merchandise and materials used for the purpose of manufacturing corsets and wearing apparel; (c) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (d) To acquire or undertake the whole or any part of the business, good-will, trade marks, property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (e) To apply for, purchase or otherwise acquire, any patents, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (f) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (g) To take, or otherwise acquire and hold, shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (h) To enter into any arrangements with any authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions; (i) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company (or its predecessors in business) or the dependants or connections, of such persons, and to grant pensions and allowances, and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (j) To promote any company or companies for the purpose of acquiring all of any of the property and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (k) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business and in particular any machinery, plant, stock-in-trade; (l) To construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, branches, or sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working management, carrying out or control thereof; (m) To lend money to customers and others having dealings with the company, and to guarantee the performance of contracts by any such persons; (n) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants, and other negotiable or transferable instruments; (o) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company, having objects altogether or in part similar to those of the company; (p) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (q) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (r) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (s) To do all such other things as are incidental or conducive to the attainment of the above objects; (t) To apply for, secure, acquire by assignment, transfer, purchase, or otherwise, and to exercise, carry out and enjoy any charter, license, power, authority, franchise, concession, rights or privilege, which any government or authority or any corporation or other public body may be empowered to grant and to pay for, aid in and contribute towards carrying the same into effect, and to appropriate any of the company's shares, bonds, and assets to defray the necessary costs, charges and expenses thereof; (u) To procure the company to be registered and recognized in any foreign country and to designate persons therein according to the laws of such foreign country to represent this company and to accept service for and on behalf of the company of any process or suit; (v) To raise and assist in raising money for, and to aid by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or other securities or otherwise, any other company or corporation and to guarantee the performance of contracts by any such company, corporation, or by any other person or persons with whom the company may have business relations. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Kops Brothers, Limited," with a capital stock of forty thousand dollars, divided into 400 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 16th day of January, 1917.

THOMAS MULVEY,
Under-Secretary of State.

THE TRUSTS BUILDINGS, LIMITED.
(Corrected Notice.)

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 23rd day of September, 1916, incorporating John Craig Stewart, barrister-at-law, Reginald Lancaster Pattison and William George Ryan, oil and gas operators, and Bessie Evelyn Daniels and Grace Alberta Jackson, stenographers, all of the City of Chatham, in the Province of Ontario, for the following purposes, viz.:—(a) To acquire by purchase, lease, exchange or otherwise, land, buildings and hereditaments of any tenure or description and any estate or interest therein and to turn the same to account as may seem expedient and to sell, lease, exchange or otherwise encumber or dispose of, upon such terms as may seem desirable, the whole or any portion of such lands or other assets and all or any of the buildings or structures that are now or may hereafter be erected thereon; (b) To prepare building sites and to construct, reconstruct, alter, improve, own, operate, decorate, furnish and maintain offices, apartments, flats, houses, factories, warehouses, shops, gravel or sand pits, clay or mineral deposits, sewer or other underground works, pavements, buildings, works and conveniences of all kinds on any such lands or on lands owned by others and to consolidate, connect or subdivide properties or to act as agents for others in any of the foregoing matters; (c) To take and hold mortgages for any unpaid balance of the purchase money on any of the lands, buildings or structures so sold and to sell or otherwise dispose of the said mortgages; (d) To purchase for investment or as agent for others to acquire, exchange or otherwise deal in shares, stocks, debentures and bonds of other corporations carrying on a business in whole or in part similar to that of the company, and to invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined; (e) To lend money to customers and others having dealings with the company and to guarantee and otherwise assist in the performance of contracts or mortgages of persons, firms or corporations with which the company may have dealings and to assume and take over such mortgages or contracts on default; (f) To quarry, manufacture, deal in and sell all kinds of stone; (g) To manufacture, deal in and sell all kinds of lumber, brick, cement and building materials; (h) To manufacture, purchase, or otherwise acquire, hold, own, sell, assign, transfer, invest, trade and deal in, contractors' supplies and appliances, of every class and description; (i) To manufacture, purchase, lease or otherwise acquire machinery and any and all apparatus and tools necessary or useful in connection with the business of the company, and to sell, lease or otherwise dispose of the same; (j) To amalgamate with any other company having objects altogether or in part similar to those of this company; (k) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (l) To acquire or undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (m) To apply for, purchase or otherwise acquire any patents, licenses, concessions and the like, conferring any exclusive or non-exclusive, or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (n) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (o) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (p) To enter into any arrangements with any authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions; (q) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company (or its predecessors in business) or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (r) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (s) Subject to section 5 of The Companies Act, R.S.C., 1906, chapter 79, to construct, improve, maintain, work, manage, carry out or control any roads, ways, branches or sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof; (t) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (u) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company; (v) To obtain any provisional order or Act of Parliament to enable the company to carry any of its business into effect or for effecting any modification of the company's constitution or for any other purpose which may seem expedient, and to oppose any proceeding or application which may seem calculated directly or indirectly to prejudice the company's interests, and to procure the company to be registered or recognized in any foreign country or place; (w) To adopt such means of making known the undertakings of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (x) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (y) To do all such other things as are incidental or conducive to the attainment of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The Trusts Buildings, Limited," with a capital stock of two hundred and fifty thousand dollars, divided into 2,500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 26th day of September, 1916.

THOMAS MULVEY,
Under-Secretary of State.

HIGH INTEREST AFFECTS REAL ESTATE LOAN CO.

Rate Paid Increased From 4·56 Per Cent. to 4.74 Per Cent.

PROFITS WELL MAINTAINED

Company is Successfully Meeting the Unsettled Conditions and Should Be Well Prepared to Meet Developments of Future.

Despite the continuance of more or less disturbed conditions in the mortgage business, particularly in Western Canada, caused by the war and the general readjustment of realty values together with high borrowing rates and a restricted investing field, the earnings of the Real Estate Loan Company of Canada for 1916, made a satisfactory showing, compared with the average of the past few years. The total income on investments amounted to $100,113 compared with $100,541 in 1915 and $101,717 in 1914. Deductions for interest, expenses, management and taxes amount to $44,944, leaving net profits of $55,169, compared with $56,695 in 1915. The 7 per cent. dividend took $35,000 and $20,000 was added to the reserve fund, which now amounts to $240,000, as compared with a paid-up capital of $500,000. Following are comparative figures for the past three years:

	1914	1915	1916
Gross Earnings	$101,717	$100,541	$100,113
Deductions—			
Interest	$ 30,156	$ 29,911	$ 30,259
Expenses	2,100	995	1,298
Management	10,493	10 751	10,631
Taxes	1,347	2,188	2,756
Total	$ 44,096	$ 43,845	$ 44,944
Net Earnings	$ 57,620	$ 56,695	$ 55,169
Distribution—			
Dividends	$ 35,000	$ 35,000	$ 35,000
Reserve	20,000	20,000	20,000
Balance	2,620	1,695	168
	$ 57,620	$ 56,695	$ 55,168

The net profits represented 11 per cent. on the paid-up capital, compared with the 7 per cent dividend paid, while the earnings on investment were 7.7 per cent. Under the prevailing conditions this showing must be considered as satisfactory and the company maintaining its position pending that time when an improvement in conditions will warrant a more aggressive policy. Following are comparative figures of earnings for the past five years

Year	Paid-up Capital	Profits	Div.	% Profits Cap.	Earn. Rate*
1912	$500,000	$51,726	6½	10.4	8.0
1913	500,000	57,258	7	11.4	8.6
1914	500,000	57,621	7	11.5	8.5
1915	500,000	56,695	7	11.3	8.1
1916	500,000	55,169	7	11.0	7.7

*Per cent. of capital, reserve and balance at credit of profit and loss.

The statement of assets indicates that, like so many other companies, the Real Estate Loan Co. of Canada has improved its position by an enlarged investment in municipal debentures, the item for debentures and Canadian war loan having increased from $24,404 to $54,191. Loans on mortgage have decreased from $1,331,890 to $1,251,338. Real estate foreclosed has increased from $4,431, to $56,788. Liabilities to the public have decreased from $656,174 to $639,428. This is an indication of the effect of high interest rate on borrowed money. The sterling debentures outstanding have been reduced from $612,631 to $592,419; currency debentures have increased from $43,039 to $46,512. Despite the fact that the amount for public funds handled has decreased, it is interesting to note that total interest paid is actually higher, the amount of $30,259 in 1916 comparing with $29,911 in 1915. On this basis it will be found that the interest paid in 1916 represented 4.74 per cent. on public funds as compared with 4.56 per cent. in 1915.

The balance carried forward of $168 makes a total surplus of profit and loss available of $5,375.

LONDON & WESTERN TRUSTS.

President Speaks Confidently of Company's Position.

After deducting $4,680 for Government and revenue taxes and $2,800 for the business profits war tax, the London and Western Trust Company showed earnings for the year 1916 of $51,651. This compared with $53,486 at the end of 1915, but the increase is explained in the abnormal conditions which have prevailed. For 1914 the earnings were $45,676. After the payment of a 7 per cent. dividend, requiring $35,000, and adding $15,000 to reserve, which now stands at $135,000, $1,651 was added to the surplus of profit and loss, which account now totals $9,386. Following are comparative figures:—

LONDON & WESTERN TRUSTS CO.,
LONDON, ONT.

	1914	1915	1916
Earnings	$45,676	$53,486	$51,651
Balance	3,702	3,871	7,734
	$49,378	$57,357	$59,385
Distribution:			
Dividends	$30,507	$34,623	$35,000
Reserve	15,000	15,000	15,000
Balance	3,871	7,734	9,386
	$49,378	$57,357	$59,386

The profits on capital declined from 10.8 per cent. to 10.3 per cent., and on investments from 9.2 per cent. to 8.2 per cent. Following are comparisons for the past five years:—

Rate of Earnings.

Year	Paid-up Capital	Profits	Div.	% Profits Cap.	Earn. Rate*
1912	$350,000	$29,922	6	8.8	7.2
1913	400,000	37,368	6	9.5	8.6
1914	484,195	45,676	6½	9.7	9.4
1915	500,000	53,486	7	10.8	9.2
1916	500,000	51,651	7	10.3	8.2

In his report to the shareholders, President George C. Gibbons points out that the value of the company's trusts during the year increased over $7,000, the total of assets at December 31, being $7,595,750. He comments that the company has never incurred any loss whatever upon its investments, either of its own funds or of those made on behalf of its clients. The arrears of interest are trivial and there is no reason, he states, to anticipate any loss whatever upon any investment made by the company.

The Dutch Bank of South America, which established its first branch at Buenos Aires a year and a half ago, and its second in Rio de Janeiro about a month ago, is entering upon an extensive plan for gradual expansion. A number of other branches are expected to be opened in the near future.

THE MINISTER OF FINANCE

REQUESTS

THE PEOPLE OF CANADA TO

BEGIN NOW

TO SAVE MONEY FOR THE

NEXT WAR LOAN

JAN. 9, 1917

DEPARTMENT OF FINANCE
OTTAWA

DOMINION SAVINGS PROFITS SHOW FAVORABLE INCREASE

Net Earnings at Rate of 6.3 Per Cent. on Capital and 5 Per Cent. on Investment.

Considering the conditions which have prevailed, the profits of the Dominion Savings & Investment Society for 1916 at $117,257, compared with $115,619 in 1915, represent a satisfactory increase. After the payment of a 5 per cent. dividend, which took $46,740, $15,000 was added to the reserve fund, the balance, which is put down as contingent account, being thereby reduced $5,129, to $2,541. The reserve fund now amounts to $250,000, which is in excess of 25 per cent. of the paid-up capital and almost 25 per cent. of the total liabilities to the public. Following are comparative figures.

	1914	1915	1916
Profits	$71,785	$57,404	$59,152
Bal. Contingent Fd.	...	...	5,129
			$64,281
Distribution—			
Dividends	$46,737	$46,738	$46,740
Reserve	25,000	10,000	15,000
Contingent	48	665	2,541
	$71,785	$57,404	$64,281

The profits referred to represented 6.3 on the paid-up capital and 5 per cent. on the capital employed, including reserve and balance at credit of profit and loss. Following are comparative figures for the past five years.

Year	Paid-up Capital	Profits	Div.	Profits to av. Cap.	Earn*
1912	$934,300	$59,126	4½	6.3	5.9
1913	934,300	66,150	4½	7.1	5.9
1914	934,300	71,785	5	7.6	6.2
1915	934,300	57,404	5	6.1	4.9
1916	934,300	59,152	5	6.3	5.0

*Percentage of capital employed, reserve and balance at credit of profit and loss.

The assets, which now total 2,283,105, are more than double the amount of the liabilities to the public, which total $1,072,384. Savings bank deposits increased from $703,717 to $758,410, and currency debentures increased from $103,424 to $113,142, but sterling debentures, as has been the case with so many companies seeking funds of this class, showed a big decline, the total of $197,097 comparing with $306,985 a year ago. While the total liabilities to the public have decreased from $1,117,540 to $1,072,384 there has been an increase in total interest paid, the total being $42,825 as compared with $41,261.

AGRICULTURE IN B.C.

Production in 1916 Increased in Value by $3,000,000.

The agricultural production of British Columbia last year aggregated $34,000,000, or $3,000,000 more than in 1915, due to the higher prices. Hay and grain totalled $10,000,000, or the same amount as live stock. Fruit crops in excess of domestic consumption were valued at $2,000,000, compared with $1,642,000 in 1915; vegetable crops, $1,750,000, compared with $1,400,000. Dairying broke even in volume, but gained $250,000 to a total of $3,250,000 in spite of climatic adversities which curtailed output nearly 10 per cent. Competition from Edmonton, Alta., used to be substantial but now the local dairy products command higher prices than the imports. In making comparisons with 1915 it should be stated that the 1915 average prices were 10 per cent. below 1914.

British Columbia imports of soil products from other provinces and foreign sources declined from $25,000,000 in 1915 to $16,000,000 last year, due partly to better balanced production at home, loss of population and reduced purchasing power. Home production of poultry has been encouraged and now exceeds $11,500,000 annually.

CAPITAL TRUST.

Continued Healthy Growth of Young Company Indicated.

The annual statement of the Capital Trust Corporation, of Ottawa, for the year ending Dec. 31, 1916, shows estates and trusts under administration with assets of $707,046. When this amount is compared with $482,560 at the end of 1915, and $232,503 at the end of 1914, it will be seen that this comparatively young organization has developed a substantial growth in the face of the abnormal conditions which had been prevailing. In the guaranteed investment department the account has grown to $249,172, as compared with $146,541 at the end of 1915, and only $5,400 at the end of 1913. The business of the company for the last four years is indicated by the following tabulation:—

	Capital Account	Guaranteed Investment Account	Estate, Trusts, etc.
1913	$155,550	$ 5,400	$.......
1914	236,274	69,076	233,503
1915	288,214	146,541	482,560
1916	334,496	249,172	707,046

The paid up capital of the company is now $288,214. The profits for the year were $5,029, which compares with $2,231 in the previous report. The total assets now amount to $1,290,715, and it is noted that a large portion of the increase in investments has been in municipal debentures.

B. C. FISHERIES.

Prince Rupert is Benefiting from New Activities.

The shipping of fishermen in the halibut fisheries under a "share agreement" instead of a wage schedule, has resulted in several recent instances of large earnings for crews that happened to profit by the unusual catches of certain vessels, says a Prince Rupert report to THE POST. The most striking instance is found in the case of the Director, with a crew of four men. This boat brought in 19,000 pounds of halibut after fishing for 15 days, and the catch sold for about $2,000. The balance remaining after taking out all expenses was divided among the members of the crew, and provided by the share agreement under which the catch was made, and each man received $460.75, or $30.71 per day. It is not uncommon for fishermen to make from $10 to $20 per day, but a larger figure is unusual.

Seventy new vessels are being fitted out in Seattle and other sound ports for the halibut fishing as soon as spring opens. The paper says that "not all may operate exclusively out of Prince Rupert, but a large proportion is bound to do business more or less out of this port." The addition of these American vessels to the fishing fleet that makes Prince Rupert its headquarters will about double the catch of halibut that is marketed in this port and shipped in bond to the United States.

BIG PRICES FOR SHIPS.

Sales Made at Fifteen Times Former Values.

Lloyds have issued particulars of the vessels sold during the last quarter of 1916, and some of the prices mentioned are more extraordinary than any yet reported. For instance, the Kaifuku Maru was built in 1892 and was sold in 1907 for £9,000 ($43,798. It has just been resold for £150,000 ($729,975). The steamer Hercules was built in 1903 at a cots of £42,000, was sold in 1904 for £32,250, and has now been resold for £260,000. The Gozan Maru, built in 1898, was sold in 1913 for £24,500, and has now been resold for £175,000. A very old boat, the Miaoulis, of 4,450 tons, built in 1893, was sold in 1905 for £15,000, in 1907 £15,500, and is reported by Lloyds to have realized the sum of £118,500.

RURAL RUSSIA PROSPEROUS ON ACCOUNT OF WAR.

Continued from page 17.

the prosperity which has come to Russia as the result of the war and the conditions which it has created. Early in the year a rather startling article appeared in the *Russaoya Flovo* of Moscow by Prince Eugene Prougetzkog, in which he said that the Russian peasant, the backbone of Russia's economic power, was enjoying unprecedented prosperity. That such was the case in the face of war conditions was considered amazing, and many analyses were made by financial and economic writers. Their conclusions were almost always alike.

There can be no doubt about the superabundance of money in rural Russia. The factors that have worked to this end are worthy of interesting consideration. Of first importance is the result of the ban on alcohol. The Russian peasant has not been spending his earnings on dissipation and, owing to the fact that the mobilization of troops took many out of the labor market, his wages rose considerably. The average agricultural laborer's pay at present is two and one-half times as large as before the war. Another factor is the Government's allowance to the wives and the children of the soldiers. Still another is the mobilization of the industrial resources of the country for the successful proseqution of the war, which has resulted in employing large numbers of peasant women. All this has meant more money to the peasantry. The rise in the deposits of the country's savings banks since the beginning of the war exceeds 3,000,000,000 roubles.

An outstanding instance of the confidence in Russia's developments and the stability of the enterprises being undertaken, is the support which has been given to the scheme of the Minister of Communication for the building of a new and elaborate railroad and canal system, calling for the construction of about 30,000 miles of railways and for the improvement and building of hundreds of thousands of miles of waterways. To finance this undertaking, rarely paralleled in its vastness, special loans were resorted to. The initial issue last September called for 350,000,000 roubles, and this was over-subscribed more than four times.

SIXTEENTH ANNUAL REPORT

THE UNION TRUST COMPANY, Limited

Paid-Up Capital $1,000,000 **Reserve Fund $950,000**

The Sixteenth Annual Meeting of Shareholders of The Union Trust Co., Limited, was held in the Company's board room on Thursday, February 8th, 1917, the following Shareholders being present: Messrs. Henry F. Gooderham, Mark Bredin, Dr. J. H. McConnell, C. W. I. Woodland, George S. May, Walter C. Laidlay, A. P. Taylor, W. W. I. Woodland, George S. May, Walter C. Laidlaw, A. P. Taylor, W. Whinney.

The chair was taken by the President, Mr. Henry F. Gooderham, and the General Manager, Mr. J. M. McWhinney, acted as Secretary. The Annual Report for the year ended December 31st, 1916, was submitted, as follows:

PROFIT AND LOSS ACCOUNT

The net profits for the year, after payment of interest on guaranteed investments, war taxes, cost of management, salaries and expenses of every kind, amounted to	$ 127,444.70	
Brought forward from the preceding year	41,336.43	
		$ 168,781.13
Out of this there have been paid:		
Four quarterly dividends, at the rate of ten per cent. per annum	100,000.00	
Patriotic and other funds	2,250.00	
Appropriation for depreciation in securities	30,000.00	
Balance carried forward	36,531.13	
		$ 168,781.13

Financial Statement for Year Ended December 31st, 1916

ASSETS

CAPITAL ACCOUNT.

Mortgages and other securities on real estate and interest thereon to Dec. 31st, 1916	$ 893,267.07	
Municipal debentures, bonds and stocks and interest thereon to Dec. 31st, 1916	180,569.08	
Loans on debentures, bonds and stocks and interest thereon to Dec. 31st, 1916	142,605.99	
Real estate	699,694.37	
Real estate (foreclosed)	16,246.56	
Other assets	60,504.87	
Cash on hand, and in banks	50,067.78	
		$ 2,042,955.72

GUARANTEED INVESTMENT ACCOUNT.

Mortgages on real estate	$ 3,323,091.48	
Municipal debentures, bonds and stocks and collateral loans thereon	3,726,370.13	
Cash on hand, and in banks	428,099.65	
		$ 7,487,561.26

ESTATES AND AGENCIES.

Inventoried value of real estate mortgages, stocks, bonds and debentures, etc., in the hands of the Company as executors, trustees, agents, etc.	$ 5,499,204.67	
Cash on hand, and in banks	161,622.88	
		$ 5,660,827.55
Total		$15,191,344.53

LIABILITIES

CAPITAL ACCOUNT.

Capital stock, fully paid	$ 1,000,000.00	
Reserve fund	950,000.00	
Profit and loss account	36,531.13	
Dividend No. 38, payable Jan. 2nd, 1917	25,000.00	
Other liabilities	18,889.49	
Interest accrued (not yet payable)	12,535.10	
		$ 2,042,955.72

GUARANTEED INVESTMENT ACCOUNT.

Guaranteed investment certificates	$ 6,049,191.62	
Trust savings accounts	1,438,369.64	
		$ 7,487,561.26

ESTATES AND AGENCIES.

Value of assets of estates and agencies in the hands of the Company	$ 5,660,327.55	
		$ 5,660,827.55
Total		$15,191,344.53

J. M. McWHINNEY,
General Manager.

AUDITORS' CERTIFICATE.

We have made a continuous audit of the Cash and Bank Accounts with the books and vouchers of The Union Trust Company, Limited, for the year ending 31st December, 1916, and have verified the securities, and we hereby certify that the accompanying balance sheet is a true and correct statement of its affairs at the date named. The books are properly kept, and all required information has been freely given.

A. C. NEFF, F. C. A.,
C. R. CUMBERLAND, } Auditors.

The election of Directors for the current year resulted as follows: Messrs. Henry F. Gooderham, Elliott G. Stevenson, H. S. Strathy, H. H. Beck, Mark Bredin, Right Hon. Lord Hindlip, Walter C. Laidlaw, George S. May, Dr. J. H. McConnell, Walter Harland Smith, A. Percy Taylor, J. M. McWhinney.

At the subsequent meeting of the newly-elected Board of Directors the following officers were elected: President, Henry F. Gooderham; First Vice-President, E. G. Stevenson; Second Vice-President, H. S. Strathy.

DEVELOPMENT OF THE FINE PAPER TRADE

War Conditions Have Been An Important Factor.

EUROPEAN SUPPLIES CUT OFF

Head of Big Canadian Manufacturing Firm Says That Makers Are Not Taking Advantage of Situation.

BY HOWARD SMITH
President, Howard Smith Paper Mills Co.

The manufacturers of book and fine papers in Canada are extremely busy at the present time, their output being booked for several months ahead. Owing to the difficulty in procuring raw material, and the tremendous advance in the price of all supplies, such as rags, pulp, etc.—the price of some grades of pulp having increased nearly 300 per cent.—the price on book and fine papers has advanced to a marked degree. There are in Canada at the present time some nine mills manufacturing these grades of paper, and these mills are as efficient and as well equipped as mills making the same grades of paper anywhere; in fact, some of the Canadian mills in these lines can be considered the premier mills in America for efficiency and cost of manufacture.

Imports Into Canada

The imports of paper into Canada are very considerable—in 1912 being some eight and a half million dollars, but this dropped down in 1913-14 to five and a half million dollars. These imports are largely made up of fine papers and specialties, such as covers, Bristol boards, etc., in which lines of goods it is not the price, but usually the fancy of some customer, that governs the sale.

One of the great disadvantages the Canadian manufacturer has to work against is that he has to compete against so many foreign mills. As the papers made in the different mills of the world bear a distinct mark of origin as to texture and color, the Canadian manufacturer has been put to a very serious disadvantage in competing with these papers.

Up to the early part of 1916 the Canadians had to compete with a very serious handicap from the Americans, who had a large surplus of paper on their market, and were selling the paper at cost and in some instances much below. The duty of 25 per cent. was not a serious handicap, as the Canadian manufacturer has to pay duty on his equipment and on his raw material, so his cost of production is considerably higher than in the United States.

Holding New Business.

While there has been, as stated above, an increase in the price of book and fine papers, these grades of paper are selling in Canada to-day at a reasonable price, considering the enormous increase in cost, and as it is almost impossible to get foreign paper, the Canadian manufacturer is getting the business that formerly went out of Canada. The Canadian manufacturer believes that this business will be kept in the country, as the Canadian public have become accustomed to Canadian papers, and will insist on using them, they being fully equal in every respect to papers formerly used and which were imported.

An erroneous idea has crept into the mind of the Canadian public, that the paper manufacturers are taking undue advantage of the present situation—chiefly because of the campaign of the daily press in the United States against the news print manufacturer. The paper manufacturer has advanced the finished price of his product very much less than most other lines of commodities have been advanced. He is paying very much higher for his raw material, and has increased his wages by a very heavy percentage, and there is no paper manufacturer that is making an undue profit.

The paper industry is one of the best industries of the country, and if it is fostered and carried along on broad progressive lines, it will be of great benefit to Canada. The exports for the last fiscal year were something over eighteen million dollars, which represents a fair amount of money that is left in this country in wages, etc.

Standardization.

The one point that the Canadian consumer of paper should realize is that it is impossible for any manufacturer to make a great variety of goods. Standardization means efficiency, and efficiency means business and progress. If the consumer of paper will consent to standardize his requirements and use the same as his neighbor, he will not only get better paper, but will get it at a much better price and will enable the Canadian manufacturer to keep out the foreign papers. It is obvious to any thinking person that where one man requires blue, another pink, and another yellow, and so on without limit, that the cost of manufacture must increase enormously. Paper mills run twenty-four hours a day, and every stop for a change means lost time and lost time means lost money, which must be made up while the machines are running; it, therefore, means an added cost on the regular grades of paper. There are some prominent consumers of paper who purchase paper made in Canada, and who insist on matching paper made, perhaps in Germany or United States, when the fact of the matter is if the Canadian standard was used it would not make the slightest difference to the consumer.

An Increased Production.

The whole tendency of the paper trade now is towards increased production, and the mills are taking advantage of every opportunity to add to their capacity and efficiency. There are several new paper machines being laid down in this branch of the trade, and as soon as these machines are running there will be plenty of paper for everyone. Plants are now operating at capacity, which really means that the production is pushed to the extreme limit.

There are many sales of paper taking place at old prices, and many of these sales show a direct loss to the manufacturer. The cost of raw material has advanced so greatly that it is almost impossible to decide the market price of paper to-day. The price is a variable one—the same is true in the cost of production, and until business settles down to something like a normal basis, we will have to be satsfied with these variable prices, and do the best we can.

UTILIZING FISH WASTE.

Thousands of Tons of Valuable Material Now Destroyed.

The profitable utilization of the immense quantities of waste material which characterize practically every branch of the fisheries presents one of the chief problems in securing efficient conduct of the Canadian fishing industry. As a result of investigations on the Pacific coast, it has been estimated that the sheer waste of the fisheries of Alaska amounts to 70,000 tons per annum and of those of British Columbia at from 15,000 to 20,000 tons. The proportion of waste material in the lobster canning industry is extremely high. R. H. Williams, of Halifax, makes the startling assertion that of 32,000,000 pounds of lobsters required for an average Canadian season's pack of 160,000 cases only 6,500,000 pounds are utilized, 25,500,000 pounds being absolutely wasted. In other words, the lobster industry as now conducted uses only 20 per cent. of the raw material. Even under such conditions the annual value of this industry to the Dominion is normally around $4,000,000.

From the foregoing figures it will readily be appreciated that few industrial improvements could render more substantial aid to the fishing interests than the perfection of practical methods of converting the offal to economic use. Experiments now being conducted by Mr. J. B. Fielding for the Commission of Conservation will prove of material service in solving this problem.

GERMAN TRADE CAMPAIGN AND CAUSES OF WAR

Interesting Pamphlet Issued in French by Italian Writer.

THE LONG-CREDITED SYSTEM

German Manufacturers in an Effort to Compete With British and French Makers Have Made Trade Errors.

"The Truth About the War," is the title of a pamphlet which has been published in French and which is largely an interesting description of the evolution of German trade in its relation to the causes of the conflict, and deals particularly with the long credit system. The author is M. Ernest Sona, an Italian, who describes himself as "just a commercial traveler, who has never been mixed up in any political movement, but who has traveled extensively and observed much in all parts of the world."

The author explains how the German manufacturers, came to introduce the long-credit system in foreign markets. When the Germans entered into the export trade they found that it was almost entirely in the hands of the British and the French. The manufacturers of these two nations did all their business with wholesale houses of importing countries entirely through commission agents. The British and French manufacturers never sold to retailers, not wishing to fall out with the wholesale importers. The commission agents paid the manufacturers by bills at thirty days, and opened accounts with the wholesalers, giving them longer or shorter credit, according to their financial rating. The retail merchant thus depended upon the wholesale houses for their supplies, and the wholesale houses being in a position to judge as to the standing of the retailers in their district or country, the stability of local and of international trade was assured.

The Germans have completely upset this wise arrangement, and for the following reasons. When, many years ago, they offered their goods to the wholesale importers in each foreign market they found all doors closed against them. The importer considered German goods inferior in quality, though much cheaper. Moreover, the import houses had been doing business for a great many years with the commission houses, and through these houses were on good terms with the British or the French manufacturers, who supplied goods to which they were accustomed. Finding a great difficulty in getting the wholesalers to take German goods, the German manufacturers — often through German commission houses which they established and financed for the purpose in each country — began to offer their products to the local retailers, directly over the heads of the wholesale houses, at such prices and with such long credits that the wholesalers were soon compelled to come to terms with the German commission houses. This was especially the case in South America.

It will be seen that object of the German manufacturers was to interest the retail merchants in the exclusive sale of German products, thus detaching them from the local wholesalers, saving a middleman's profit, and freeing the retailer from the sort of tyranny in the matter of credit exercised by the local wholesale firms. Thanks to the long credit granted by the German manufacturers, the retailer was able to enlarge his business and get rich quickly without risking very much of his own capital, for he had six or nine months in which to sell the goods, and he only paid for them, in actual practice, when he had sold them. In order not to lose their connection, the local wholesale houses were reluctantly compelled not only to buy German goods, but also—even against their better judgment — to give the same long credits to retailers as the Germans did.

The consequence has been to cause confusion, disorder, and insecurity in the evaluation of credit. It is difficult to control the stability of a retailer who is able to obtain the same goods from several firms, all obliged to supply them on long credit terms, and the result has been abuses of all kinds, including "faked" bankruptcies and compoundings when it suited the interest of dishonest dealers. One result, according to M. Sona, has been that the German houses, manufacturers and commission agents, in order to protect themselves against the large number of bad payers, have found it necessary to raise the level of their prices all round, and this has produced a gradual, but steady, increase in the cost of living. No doubt the system of easy payments was instrumental in prodigiously increasing German trade, but the system was bound, sooner or later, to lead to disastrous competition, especially in South America, and for reasons which M. Sona explains at considerable length, a huge commercial catastrophe was inevitable. The year 1913 was the culminating point of this huge commercial crisis, and Germany's losses, owing to the long credit system that she is responsible for, threatened to ruin her entire economic system. Hence, according to M. Sona,
the only "way out" for Ger
was a great European war in
she would be victorious
twelve months, and which
leave her in undisputed possessi
foreign markets.

FINANCIAL ADVERTISER
Rapid Increase in Membershi
International Association.

Since December 26, 1916, the
ancial Advertisers' Associati
departmental of the Advertisers
sociation of the World, has incr
its membership by 62 members
now has a total membership of
This rapid increase in the numb
members in the association is
of the realization by bankers o
value of advertising to their in
tions, and the value of co-oper
effort in making their advert
more effective. The officers hope
every bank in the United States
Canada will eventually become
bers of the association, as it
broaden materially the scope o
work and be helpful, therefor
each and every individual memb

The Sovereign Life Assurance Company of Canada

DIRECTORS' REPORT FOR 1916

At the Annual Meeting of this Company, held on the 7th inst., it was shown that the 1916 business was most successful from every point of view. The following are some of the main features of the Report:—

ASSURANCES.—The new assurances applied for during the year amounted to **$1,870,050.00.** Policies issued and revived amounted to **$1,693,450.00**—a slight increase over the amount written in the previous year. The total of assurances in force at the end of the year was **$6,394,083.00**, representing a net increase over the preceding year of **$630,971.00.**

INCOME.—The net cash receipts from all sources during 1916 were very satisfactory, amounting to **$290,296.94.** This exceeds the 1915 income by **$37,785.75.** Cash receipts on account of—

(a) **Premiums**, amounted to **$217,079.10** (an increase of **$27,185.97** over 1915); and on account of—

(b) **Interest**, amounted to **$73,145.14** (an increase of **$10,527.08** over 1915).

PAYMENTS TO POLICYHOLDERS.—Total payments under this head for the year, including claims, surrenders, profits to policyholders, etc., were **$69,712.60**, of which there was paid for death losses the sum of **$45,905.50**, exceeding the amount paid for death losses in 1915 by **$29,655.50.** War claims paid during the year amounted to **$20,881.00.**

RESERVES.—The total reserve liability at December 31st, 1916, was **$919,891.00**, being **$109,696.00** in excess of the previous year.

SURPLUS.—The surplus at the close of the year stood at **$148,847.25**, an increase over the previous year of **$7,615.81.** Some special funds have at the same time been strengthened, notably the Investment Reserve, which now stands at **$45,000.00.**

ASSETS.—The total assets at December 31st, 1916, amounted to **$1,358,587.33**, which (making allowance for bonds and debentures being carried this year at book value) shows, in comparison with the assets one year previous, the very striking increase of **$148,510.81.**

INVESTMENTS.—The Company's invested assets at December 21st, 1916, consisted of Mortgages, **$576,967.83 (45%)**; Bonds and Debentures, **$469,713.47 (36.6%)**; and Cash and Policy Loans, **$235,760.56 (18.4%)**. The average rate of interest earned during the year on these invested assets was **6.80%.**

BALANCE SHEET, DECEMBER 31ST, 1916.

ASSETS.		LIABILITIES.	
Municipal debentures and bonds (book value as at December 31st, 1916)	$ 469,713.47	Reserve fund computed upon Government standard to cover all the Company's liabilities upon total assurance in force, plus additional reserves maintained by the Company	$ 919,891.00
First mortgages on real estate (less $900.00 assumed)	576,967.83	Reserve for extra mortality and contingencies.	11,500.00
Loans on policies secured by legal reserves	189,026.90	Investment reserve	45,000.00
Policy liens under non-forfeiture agreements	9,642.78	Surrenders claimable on cancelled policies	315.00
Cash in Banks, Head Office and Agencies	37,090.88	Policyholders' dividends due and unpaid	449.68
Interest Accrued and Outstanding	37,157.90	Death claims reported, proofs not completed	8,000.00
Net quarterly and semi-annual premiums not yet due and premiums in course of collection (less 30% on first year and 10% on renewals)	36,208.33	Shareholders' account	1,500.00
Office furniture (less 10% written off)	2,779.24	Reserve on instalment policies	2,946.00
		License fees and taxes accrued	1,750.01
		Commissions to agents due or accrued	1,292.62
		Sundry accounts due or accrued	1,192.46
		Premiums and interest paid in advance	5,908.31
		Capital paid-up	209,995.00
		Total liabilities	$1,209,740.08
		Surplus to shareholders and policyholders above all liability	**148,847.25**
	$1.358,587.33		$1.358,587.33

RECORD FOR PAST FIVE YEARS.

Year	Gross Premium Income	Rate of Interest (Invested Assets)	Gross Interest Income	Total Assets	Assurances in Force
1912	$136,881.60	6.38	$54,200.69	$ 955,239.23	$3,850,000.00
1913	156,344.52	6.42	59,620.65	1,050,050.56	4,900,000.00
1914	182,728.35	6.69	66,976.93	*1,090,885.82	5,357,500.00
1915	197,161.90	6.62	71,291.31	*1,183,223.22	5,764,000.00
1916	225,377.58	6.80	80,126.82	1,358,587.33	6,394,083.00

*Bonds and Debentures were written down to Market Value.

Board of Directors for 1917—Robert R. Scott, Wm. Grayson, K.C.; D. E. Williams, John McClelland, R. G. MacDonald, W. Sanford Evans, Charles M. Simpson, E. E. Sharpe, Barrister; George Grisdale, Alexander Melville, George N. Jackson, H. J. Meiklejohn, M.D.C.M.

Officers—Robert R. Scott, President; Wm. Grayson, K.C., 1st Vice-President; D. E. Williams, 2nd Vice-President; Lendrum McMeans, K.C., Solicitor; R. L. Donaldson, Treasurer; E. Atkins, Chief Accountant; J. S. Gray, Medical Referee; H. J. Meiklejohn, Managing Director; M. D. Grant, Secretary and Actuary.

The London City and Midlan Bank, Limited

ESTABLISHED 1836.

Subscribed Capital, £22,947,804 . 0 . 0

Paid-up Capital, £4,780,792 . 10 . 0

Reserve Fund, £4,000,000 . 0 . 0

DIRECTORS:

Sir EDWARD H. HOLDEN, Bart., Chairman and Managing Director.
WILLIAM GRAHAM BRADSHAW, Esq., London, Deputy-Chairman.

The Right Hon. Lord Airedale, Leeds.
Sir Percy Elly Bates, Bart., Liverpool.
Robert Clover Beazley, Esq., Liverpool.
The Rt. Hon. Lord Carnock, G.C.B., London
David Davies, Esq., M.P., Llandinam.
Frank Dudley Docker, Esq., C.B., Birmingham.
Frederick Hynde Fox, Esq., Liverpool.
H. Simpson Gee, Esq., Leicester.
John Glasbrook, Esq., Swansea.
Arthur T. Keen, Esq., Birmingham.
Frederick William Nash, Esq., Birmin
The Rt. Hon. Lord Pirrie, K.P., Lon
Thomas Royden, Esq., Liverpool.
Sir Joseph Weston-Stevens, Bristol.
The Right Hon. Sir Guy Fleetwood W
K.C.B., K.C.M.G., G.C.I.E., London.
William Fitzthomas Wyley, Esq., Cove

HEAD OFFICE: 5, THREADNEEDLE STREET, LONDON, E.C.

Joint General Managers: J. M. Madders, S. B. Murray, F. Hyde, E. W. Wooll
Secretary: E. J. Morris.

Dr. LIABILITIES AND ASSETS, 31st December, 1916.

	£	s.	d.		£
To Capital Paid up, viz.:— £2 10s 0d per Share on 1,912,317 Shares of £12 each	4,780,792	10	0	By Cash in hand (including Gold Coin £7,000,000) and Cash at Bank of England	47,973,686
" Reserve Fund	4,000,000	0	0	" Money at Call and at Short Notice and Stock Exchange Loans	8,844,377
" Dividend payable on 1st February, 1917	322,703	9	11	" Investments:— War Loans, at cost (of which £1,490,000 is lodged for Public and other Accounts) and other British Government Securities	33,399,534
" Balance of Profit and Loss Account, as below	243,538	5	10	Stocks Guaranteed by the British Government, India Stocks, Indian Railway Guaranteed Stocks and Debentures	326,406
	9,347,034	5	9	British Railway Debentures and Preference Stocks, British Corporation Stocks	1,924,813
" Current, Deposit and other Accounts	174,620,724	17	9	Colonial and Foreign Government Stocks and Bonds	751,520
" Acceptances on account of Customers	7,220,780	12	2	Sundry Invesements	788,021
				" Bills of Exchange	23,336,817
					117,345,177
				" Advances on Current Accounts, Loans on Security and other Accounts	63,868,856
				" Liabilities of Customers for Acceptances as per contra	7,220,780
				" Bank Premises, at Head Office and Branches	2,753,735
	£191,188,539	15	8		£191,188,539

Dr. PROFIT AND LOSS ACCOUNT for the year ending 31st December, 1916.

	£	s.	d.		£
To Interim Dividend at the rate of 18% per annum for the half-year ending 30th June, 1916, less Income Tax	344,217	1	3	By Balance from last Account	113,597
" Dividend payable on 1st February, 1917, at the rate of 18% per annum, less Income Tax	322,703	9	11	" Net profits for the year ending 31st December, 1916, after providing for all Bad and Doubtful Debts	1,636,968
" Investment Account	632,501	0	6		
" Payment of Salaries to Members of the Staff serving with His Majesty's Forces and Bonus to others	207,606	13	2		
" Balance carried forward to next account	243,538	5	10		
	£1,750,566	10	8		£1,750,566

EDWARD H. HOLDEN, Chairman and Man. Director
W. G. BRADSHAW, Deputy-Chairman.
H. SIMPSON GEE, } Direct
PERCY E. BATES, }

Report of the Auditors to the Shareholders of the London City & Midland Bank,

In accordance with the provisions of Sub-section 2 of section 113 of the C
panies (Consolidation) Act, 1908, we report as follows:

We have examined the above Balance Sheet in detail with the Books at H
Office and with the certified Returns from the Branches. We have satisfied oursel
as to the correctness of the Cash Balances and the Bills of Exchange and have veri
the correctness of the Money at Call and Short Notice. We have also verified
Securities representing the Investments of the Bank, and having obtained all
information and explanations we have required, we are of opinion that such Bala
Sheet is properly drawn up so as to exhibit a true and correct view of the stat
the Company's affairs according to the best of our information and the explanati
given to us and as shown by the books of the Company.

WHINNEY, SMITH & WHINNEY, Chartered Accountants,
Auditor
London, 11th January, 1917.